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ABSTRACT

This first volume of a two-volume final report contains description and findings of a 3-year research and demonstration project in which a small human resource diagnostic and consulting service was established at a State land-grant institution (Utah State University) to provide a broadly based technical assistance program directed toward improving personnel systems, training approaches, and other manpower management practices of private firms and public agencies within the State and region. Chapter 1 is an overview and executive summary of the program designed to help employers and their workers improve organizational productivity, the utilization of human resources, and the quality of working life. Chapter 2 contains a brief project history, a summary statement of objectives originally set out for the project, and a description of project activities. The project findings are presented in chapters 3 and 4. Information obtained about several other employer service programs are presented in chapter 5 along with a brief summary of the related findings from the upgrading demonstration projects. Drawing upon the findings and conclusions contained the preceding three chapters, chapter 6 outlines a proposed model for delivering manpower advisory services to the employed workforce, explains how the proposed model might fit in as a component of national manpower policy, and makes suggestions for future directions. (Volume II, bound separately, contains the technical appendixes to which reference is made in volume I.) (Author/JT)

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MANPOWER ADVISORY SERVICES IN THE WORKPLACE: A MISSING LINK IN NATIONAL MANPOWER POLICY

U S DEPARTMENT OF HEALTH, EDUCATION & WELFARE
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MANPOWER ADVISORY SERVICES IN THE WORKPLACE: A MISSING LINK IN NATIONAL MANPOWER POLICY

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LIST OF ABBREVIATIONS

AHIT	Advanced High Intensity Training
ANCO	An Chomhairle Oiliuna
BITS	British Industrial Training Service
CETA	Comprehensive Employment and Training Act
DOL	Department of Labor
ERR	Employer Relation Representative
ES	Employment Security
ETA	Employment and Training Administration
HIT	High Intensity Training
HRA	Human Resource Analyst
HRD	Human Resources Development
IS	Industry Services
ITB	Industrial Training Board
ITS	Industrial Training Service
MAS	Manpower Advisory Service
MDS	Manpower Development Service
MDTA	Manpower Development and Training Act
MESC	Michigan Employment Security Commission
MSU/CES	Michigan State University Cooperative Extension Service
MSU/OH	Michigan State University Operation Hitchhike Program
NIE	National Institute of Education
OBES	Ohio Bureau of Employment Security
OJT	On-the-job training
OMA	Office of Manpower Affairs
ORD	Office of Research and Development

R & D	Research and Development
SENA	Servicio Nacional de Aprendizaje
SIS	Skill Improvement Systems
SUIC	Skill Upgrading In Cleveland
TAT	Technical Assistance and Training
TEC	Texas Employment Commission
USES	United States Employment Service
USU	Utah State University

ORGANIZATION OF THE REPORT

Volume I of this report contains the findings of a three-year research and demonstration project funded by the U.S. Department of Labor's Manpower Administration, under the Manpower Development and Training Act (and, subsequently, the Comprehensive Employment and Training Act), wherein a small human resource consulting service was established at a state land-grant university to provide a broadly based technical assistance program directed toward improving personnel systems, training approaches, and other manpower management practices of private firms and public agencies. These services were provided to employers and their workers in order to improve organizational productivity, the utilization of human resources, and the quality of working life. The findings and analysis in this document are based upon the experience of the Utah State University Manpower Development Service (MDS) during the period July 1, 1972 to December 31, 1975.

Chapter 2 contains a brief project history, a summary statement of objectives originally set out for the project, and a description of project activities.

The project findings are presented in Chapters 3 and 4. Information obtained about several other employer service programs are presented in Chapter 5 along with a brief summary of the related findings from the upgrading demonstration projects.

Drawing upon the findings and conclusions contained in the proceding three chapters, Chapter 6 outlines a proposed model for delivering manpower advisory services to the employed workforce, explains how the proposed model might fit in as a component of national manpower policy, and makes suggestions for future directions.

Volume II of the Report contains the technical Appendices to which reference is made in Volume I.

1. OVERVIEW AND EXECUTIVE SUMMARY

1.1 The USU-MDS Project in Perspective

As originally conceived, the Utah State University-Manpower Development Service (USU-MDS) project was seen as an opportunity to explore the hypothesis that many U.S. employers, particularly the small and medium-sized ones, experience substantial training and manpower management problems within their organizations which they are unable to resolve. The consequences of this deficiency being: (1) inefficient utilization of human resources and reduced productivity in the organization; and (2) lower quality of working life for the workers, and fewer opportunities for them to develop and advance within the organization.

The research hypothesis of the project was to be explored through a small, but highly competent human resource consulting unit established at a state land-grant university which would offer a broadly based program of diagnositc and consulting services to all private and public employers within the state and region. The hoped for outcome would be a significant and measurable improvement in the training systems and manpower management practices of employers in the area.

Providing competent consulting and advisory services to employers to aid them in identifying and successfully resolving their training and other manpower management problems was seen as an effective means of giving attention to the

heretofore neglected manpower service needs of the employed workforce. It was felt that the provision of manpower services to this group--which includes the vast majority of the workforce--was meritorious and justified in its own right. The expected outcomes of increased productivity and improved quality of working life were seen as wholly adequate to justify the expenditure of public funds for these services.

The 1962 Manpower Development and Training Act (MDTA) was considered broad enough to include concern for the employed workforce, and hence, the funds made available through that legislation to the Office of Research and Development (ORD) in the Manpower Administration were considered a logical source of support for the project. However, it was recognized that the shift in public policy which occurred in the years after 1962 placed increased emphasis on the use of MDTA funds to aid various categories of disadvantaged persons to prepare for and obtain employment. This change in emphasis was not considered a barrier to the USU-MDS project because it was felt that the provision of manpower services to the employed workforce through the employer would, directly or indirectly, result in more and better employment opportunities for the target groups. This would be accomplished by (1) helping employers more effectively train, utilize, and upgrade their workers, including those coming from the ranks of the disadvantaged; and (2) the increased employment opportunities made available by the now more productive firms.

While the originators of the USU-MDS project proposal saw the project in the broader context of facilitating all aspects of human resource development within the organization, the proposal was reviewed and ultimately approved because it complemented the upgrading research then being carried out under the sponsorship of the Manpower Administration's ORD. Upgrading research and demonstration (R & D) projects were started in 1966 in recognition of the fact that while the efforts undertaken during the early 1960's to bring those who were traditionally unemployed and underemployed into the mainstream of employment had resulted in some success, other serious problems remained. Once in the plant setting, usually in an entry-level job, these individuals tended to become locked into the entry jobs. As one observer noted: "they were in, but barely."

> Again normal channels of acculturation and socialization to the job environment were cut off; there was little, if any, opportunity to develop additional skills requisite to advancement to the next level by working in the entry job. The job had little relationship to anything above it...or along side of it. It was dead end.[1]

The ORD sponsored upgrading R & D efforts, at least in the initial phases, centered upon the application of special techniques and training procedures (one-step upgrading) designed to assist the disadvantaged employees break out of low-level, low-skill, dead-end jobs. Later, the emphasis of upgrading projects shifted to "career ladder," and "upward mobility path," as well as "generalizable models."

An interim review of the first five years of upgrading R & D efforts by ORD and the National Manpower Advisory Committee, made in September 1971, provided the basis for authorizing the more adventurous, if not heterdox, projects like the USU-MDS proposal.[2] The results of this review indicated that there was still a favorable climate for continuing upgrading research. However, the major emphasis on "hands-on" upgrading projects (in the sense that project staff attempted to provide upgrade training directly to workers) led to an increasing recognition that a substantial proportion of employers were capable, potentially if not actually, of providing upgrade training on their own, provided they could develop or have access to adequate technical or diagnostic services. The increasing recognition of this fact, coupled with the "somewhat mixed results" of the "hands-on" projects, stimulated ORD interest in devising and testing ways to deliver "hands-off" services (financial assistance and other types of consulting assistance) to employers interested in upgrading their workforce.[3]

Approval of the USU-MDS project was the result of the fortuitous convergence of the USU initiated proposal concerned with providing manpower consulting services to aid the employer and the employed workforce and the ORD thinking relative to the future direction which the upgrading R & D efforts should take. As it turned out, the USU-MDS project was one of the last of the upgrading R & D projects to be approved by ORD before interest in the area waned and a financial pinch virtually brought to a halt all such activity.

While the USU-MDS project was approved and funded within the context of the upgrading R & D program, it was not an objective of the project to be concerned with the "hard core" disadvantaged workers, nor even with upgrading underemployed workers--the so-called working poor. Although, as noted above, it was assumed within the rationale of the proposal that some of the benefits from the work of the diagnostic and consulting unit would accrue to these groups, the focus of the project was not limited to nor even directed at them. The intent of the project was to explore the broader manpower management and training concerns and needs of employers and the employed workforce. The USU-MDS project can be viewed as a logical extension of the upgrading research because it was very much concerned with the identification and elimination of barriers to human resource development within the internal labor market. Its field of focus and concern went considerably beyond upgrading as defined by the other upgrading projects. The USU-MDS project started with a premise similar to the conclusions subsequently reached by a number of the upgrading projects: that what is needed is a more comprehensive approach designed to encourage the creation of an "upgrading environment," and "to develop a broad approach to improving company manpower management systems."[4]

The USU-MDS project, because of its broader objectives, approached the frontier of what has traditionally been viewed as the domain of public manpower programs. With its dual concern for increasing productivity and improving the

utilization of manpower within the organization, while at the same time improving the quality of working life and increasing opportunities for development on the part of employed workers, the project's objectives challenged the prevailing view that to be considered legitimate a manpower program must deal exlusively and/or directly with the disadvantaged. Notwithstanding the skepticism this approach may have engendered in some quarters, the result was a project which, because of these unique objectives, discovered and partially explored the dimensions of a serious gap in U.S. manpower programs and policy.

1.2 The Gap in U.S. Manpower Policy

The dimensions of the gap in U.S. manpower policy which the USU-MDS project helped to identify and explore are summarized in the following propositions:

- The overwhelming concern and narrow focus of manpower programs on the disadvantaged as clients and upon providing pre-employment, counselling, and placement services for them, have resulted in a widespread lack of understanding of employers, their manpower concerns, and the manpower and training problems extant within the workplace--on the part of CETA manpower planners and administrators.
- There is a corresponding failure on the part of most CETA manpower planners and program administrators to recognize that the successful resolution of the manpower development problems of the disadvantaged must include real concern for and meaningful

programs designed to deal with the manpower practices and environment within the employing organizations.

- There is a persistent refusal to accept as legitimate, and hence worthy of support under existing manpower legislation, those programs and services designed to deal with the needs of the employed workforce, particularly if they are delivered through the employer.
- The nation's existing manpower system, including the recently created CETA manpower planning machinery at the local level, lacks suitable institutional mechanisms (i.e., a delivery system) to deal effectively with either the manpower management and training problems of the disadvantaged arising in the workplace, or those experienced by the employed workforce generally.
- The communication and other linkages which should exist between those engaged in public manpower planning nad program operations, as represented by CETA, and those involved in the broader spheres of training and development in industry as well as the productivity and the quality of working life are virtually nonexistent--with detrimental consequences for all concerned.

1.3 Major Findings

The major findings of the USU-MDS project, relative to the original research hypothesis, are as follows:

- There is a substantial and demonstrable need for manpower management advisory and consulting services by private and public employers, both large and and small, reflected in the nature and severity of perceived organizational problems.

  The problems most frequently encountered and mentioned by employers can be classified into three principal categories: (1) criterion-related (turnover, absenteeism, productivity, labor shortage); (2) technical (hiring, recruitment, selection, training, orientation, wage and salary administration, and nonhuman resource problems); and (3) human relations (motivation, dedication, supervision, attitude, communications, manager sensitivity).

  In order of severity, human relations problems are considered by employers to be the most serious in affecting organizational performance, followed closely by criterion-related problems, with technical problems considered the least serious.

- There is a strong, positive correlation among perceived problem existence, problem seriousness, and receptivity to MDS services. The more sensitive an employer is to problems in his organization, the more receptive he is to assistance; the more serious he rates his organizational problems, the more receptive he tends to be to assistance.

- There is considerable employer receptivity to the advisory, consulting, and technical services delivered by the MDS consulting unit.

  71 of the 141 firms contacted at the outreach phase desired some further contact and appropriate form of involvement, a success ratio of better than 50 percent.

  With the exception of some of the very young (0-2 years), the very small (0-25 employees),

and branch plants of parent organizations, firms of all sizes, age, and ownership categories are very receptive to MDS services. Family owned firms appear significantly receptive to MDS services.

The previous use of consulting services by an employer correlates positively with receptivity.

The higher in the organization hierarchy the initial contact is made, the more receptive the organization is to MDS involvement.

- The delivery of manpower management advisory and consulting services to employers has a substantial and positive impact on the organization and the quality of working life experienced by its employees.

  Over half of the employers responding to a follow-up survey questionnaire felt that MDS had considerable or some effect on their organization. The effects noted fell predominantly into categories of increased productivity or quality of working life considerations.

  Fifty-eight percent of the employers responding to a follow-up survey questionnaire felt that there was some considerable impact or effect on their workers that could be directly attributed to the involvement of MDS in their organization. Most frequently mentioned were increased work satisfaction, income benefits, new positions, confidence and competence, and the quality of working life experienced by hourly workers.

  While many employers had difficulty assessing any measure of productivity in their organizations due to the lack of technical sophistication or availability of data, the effect of MDS services on productivity was calculated as positive by 35 percent of the employers responding to this question.

  Employment levels in firms and organizations worked with by MDS were stabilized or increased--in the face of rising levels of unemployment in the state and nation.

  An overwhelming percentage (81.4) of employers worked with were desirous of further contact with MDS following substantive involvement at

the diagnostic or implementation level; further and perhaps conclusive evidence of the positive impact of services on employers and their workers.

- Large employers are able and willing to pay the full costs for the manpower consulting services delivered to them. Small and medium-sized employers are much less able or willing to pay; although their willingness to pay increased somewhat after receiving assistance and observing the benefits therefrom.
- Small and medium-sized employers are less likely to seek or utilize needed manpower advisory services unless extensive outreach efforts are employed to bring knowledge of the availability of services to their attention, to educate them as to their value and use, and to defray part of the costs of delivering the services.
- Without some form of public subsidy to defray the cost of positive outreach efforts and partially subsidize the cost of delivery of services, the use of these services will be limited to the large employers (those who are willing and able to pay full costs) and the type of services delivered will be restricted to those specifically demanded by this class of employers. There will be a corresponding reduction in the ability of the delivery mechanism to foster or achieve desired public policy objectives of improving on-the-job training received by the disadvantaged, upgrading the employed workforce, increasing productivity, and improving the quality of working life.

- The experience of the USU-MDS and the project findings relative to other existing delivery systems have demonstrated that while a few of the analytical and training skills necessary for delivery of in-plant manpower services may currently exist in some community-based manpower agencies, most of them do not have the expertise, flexibility, or breadth of perspective necessary to effectively and substantively assist employers in developing their workforces.
- The university-based model holds considerable promise in serving as an effective means of assisting the local CETA manpower planning system to deal with the manpower and training problems encountered by the disadvantaged in the workplace--problems which are currently unmet or are being ignored due to the lack of interest in or understanding of the problems, lack of credibility, or lack of expertise with which to deal effectively with them. Furthermore, a number of the gaps currently existing in the Employment and Training Administration's Technical Assistance and Training (TAT) program for prime sponsors themselves could be filled by such a unit.
- Finally, and most significantly, the university-based model (as exemplified by USU-MDS), given appropriate public support and resources, could provide a framework to effectively integrate in one delivery

mechanism the concern and capability to deal with problems of: (1) the disadvantaged in the workplace; (2) training and manpower management practices in industry; and (3) the most important recent concerns associated with productivity and the quality of working life. By so doing, a serious gap in the nation's manpower system could be closed.

1.4 Recommendations for Future Directions

- A model for a nationwide system of Manpower Advisory Service units is proposed. The model envisions one or more teams of highly comptetent manpower management / human resource development professionals, operating out of a college or university (or other appropriate base) in each state or region, who would provide a specified range of diagnostic and consulting services to public and private employers and manpower agencies. Financial support for these units would be provided through a combination of federal and state sources and fee-for-services work.
- Several additional Manpower Advisory Service units should be established in states and locations with a variety of geographical and industrial settings in order to further test the proposed model and to develop the necessary guidelines for expanding the system on a national scale.

Chapter 1

Footnotes

[1]M. Michael Feurs, Upgrading: What Are We Really Trying To Do? Issues and Problems Series Manpower and Mobility/2 (Manhasset, N.Y.: Humanic Designs Corporation, June 11, 1971), pp. 2-3.

[2]Seymour Brandwein, "Upgrading: Program Experience and Policy Considerations" (paper presented at the Washington, D.C., 31st meeting of the National Manpower Advisory Committee, Sept. 17, 1971).

[3]Upgrading - Problems and Potentialities: The R & D Experience. Manpower R & D Monograph 40 (Washington, D.C.: U.S. Department of Labor, Manpower Administration, 1975), p. 35.

[4]Arthur W. Kirsch and Ann L. McLeod, Manpower Services in the Workplace: An Employer Technical Services Program for a State Employment Service (New York: E.F. Shelley and Company, Inc., 1973), pp. I-5, I-6.

2. PROJECT HISTORY, OBJECTIVES, AND ACTIVITIES

2.1 Project History

Previous research on industrial training conducted in the U.S. and abroad led Utah State University (USU) researchers to the conclusion that many U.S. employers were in need of and desirous of obtaining high quality training and other manpower advisory assistance.[1] The research also suggested that these services were not being provided in sufficient quantity or appropriate quality by existing private and public agencies. Because of the potential contribution the provision of manpower advisory services could make to the nation's manpower policy objectives, and exploration of the need for, feasibility of, and impact of such services on the organization and its employees appeared warranted.

On the basis of the perceived need for manpower advisory services by employers and the potential benefits which could be derived therefrom, researchers affiliated with the Utah State University/Economic Research Center proposed to the Office of Research and Development (ORD) (Manpower Administration, U.S. Department of Labor) in the spring of 1971 that a pilot feasibility study be undertaken to investigate certain aspects of the problem area outlined above. The proposal was presented as a logical step in determining the course of U.S. manpower policy, and one which built upon the research and experimental projects previously or concurrently sponsored by the Manpower Administration.

Because of the innovative nature of the proposal, and the fact that such an activity had never before been contemplated by the ORD, i.e., providing training and other manpower management advisory services directly to employers and the employed workforce without being specifically limited to a concern for the unemployed or disadvantaged, the proposal underwent an exhaustive series of reviews by outside panelists and the research subcommittee of the National Manpower Advisory Committee to the Secretary of Labor.

Reviewers in favor of the proposal looked upon it as a unique opportunity to explore the dimensions of the problems faced by employers in dealing with their human resources and to test one mechanism for delivering professionally competent manpower advisory services to the employed workforce. The proposal encompassed an exploration of problems and approaches to their solution which went beyond the more narrowly focused upgrading projects then being conducted under ORD sponsorship.

Reviewers who questioned the value of the proposal wondered whether a project designed to improve employer manpower management systems, worker productivity, and the qualtiy of working life was in fact a "manpower" program within the terms of the Manpower Development and Training Act (MDTA). They apparently construed the objectives of the MDTA (and by implication the Comprehensive Employment and Training Act) as applying only to narrowly focused "target groups," e.g., the unemployed, underemployed, disadvantaged, and other such clearly defined groups. There was some

doubt in their minds whether delivering help to the employed workforce at large through the employers qualified as a manpower program, even if by means of such efforts the working conditions and job opportunities for the target groups were improved.

After all viewpoints were considered thoroughly, ORD made the decision in April 1972 to approve the project.

Because of the nature and extent of the research objectives, the project was conceived and planned as a multi-year effort. The objective of the first year was to focus on the preliminary feasibility exploration and to plan subsequent work in light of the initial findings. The project was initially funded for the period July 1, 1972 to June 30, 1973. At the end of the first ten and one-half months, USU agreed to provide the Manpower Administration with a draft report on feasibility findings and a proposed plan for the following year if the findings justified further development.

On the basis of the positive feasibility findings, the project was funded for a second year from July 1, 1973 to June 30, 1974, and for an additional fourteen months from July 1, 1974 to August 31, 1975. Two additional extensions were approved which funded the project to December 31, 1975.

The funding and objectives for the third year of the project were based in part upon the favorable recommendations of a nationally selected panel which convened in March 1974 to review the project and determine whether additional areas of work were warranted. The report of the panel is discussed below.

The late 1974 loss of funds already obligated for fiscal year 1975 by the Manpower Administration's Office of Research and Development resulted in a drastic reduction of funds for this and a number of other ORD-funded projects during the latter part of the third fiscal year. For the USU project, nearly 48 percent of the fiscal 1975 budget was cut. This loss of funds, coming as it did halfway through the fiscal year, forced the project staff to severely curtail the work of the operational MDS unit and abandon some of the research objectives outlined for the final year.

However, through the diligent efforts of the USU staff and the recognition of Utah State University administrators of the considerable value of the work being carried out by the unit, sufficient funds were obtained to enable the unit to continue functioning. Approximately $40,000 were obtained from various sources during 1975, about half in the form of unrestricted funds and the remainder in the form of research grants for proposals written by the staff or fee-for-service work similarly obtained. Some of this newly obtained activity was closely related to and contributed toward project objectives. Other activities engaged in were less relevant to specific project objectives, but shed considerable light on related manpower issues.

As a consequence of the loss of project funds during the thrid year, two staff members were laid off on December 31, 1974. At the same time one staff member was picked up by Utah State University and placed on other funds for

the remainder of the fiscal year. Two additional staff members left MDS on July 31, 1975. The consequences of this reduction in staff were that little direct project activity as outlined in the third year proposal could be carried out during the period January 1, 1975 to December 31, 1975. The resources remaining from the ORD grant funds were husbanded carefully for the purpose of furthering the objective of institutionalizing the advisory service unit at USU and for use in the analysis of data and writing of the final report during the final months of the project.

2.2 Project Objectives

The overall objectives for the project were to explore with employers in selected industries and/or localities whether and what kinds of diagnostic and advisory manpower services were needed and would be accepted by them, and how such services might realistically be provided by a small staff operating under the auspices of a university.

2.2.1 First-Year Objectives

In accordance with overall objectives for the project, the first year objectives were to:

Establish a Manpower Development Service (MDS) unit at Utah State University.

Determine the criteria for the selection of a professional staff and then proceed to recruit them.

Establish a program of training for the professional staff.

Identify and select an Advisory Council to provide advice on the industry group or groups and/or a

particular geographical locality in which discussions of interest and project exploration would concentrate.

Monitor efforts of other universities and non-profit organizations providing manpower and training technical assistance to see what could be learned from their experience. A similar review and analysis of relevant lessons was to be undertaken with regard to the industrial service experiences of the Utah State Employment Service.

Begin working with firms in the target area to determine what technical assistance they appeared to want and need. This was to be accomplished by means of an assessment of employers' current manpower development objectives and practices, carried out in relation to the technical guidance and actual services the project staff judged it could reasonably and appropriately offer. Develop specifications for: (1) the types of firms with which it would seek to work; (2) the types of manpower development problems on which it would seek to focus; and (3) the types of disgnostic problems on which it would offer during the second and longer period of the grant.

Work with specified firms or industries in a target area to diagnose their manpower needs and to provide certain services directed toward these ends, as deemed appropriate. The nature and extent of the project staff's involvement with each employers would depend upon the recommendations of the Advisory Council and on the specific diagnosed desires of the respective employer firm.

In working with these employers, an attempt would be made to clarify the distinctions between diagnosis, advice, and the actual provision of training, job analysis or structuring, and other operational services.

Concentrate on developing specific case experiences and criteria for the identification of generalizable employer situations and needs for which diagnostic and technical aid from a small unviersity-based staff would be appropriate and feasible--as contrasted to those types of employer situations and needs for which other or more extensive technical aid would be required.

Establish and maintain an appropriate system of record keeping, identifying and documenting project process and significant project findings.

Report findings of feasibility.

2.2.2 Second-Year Objectives

The developmental work of the project's first year focused primarily on the creation of MDS and the development of a service model. Second-year objectives were to:

Refine, operationalize and test the conceptual service model.

Develop and document the MDS staff training program.

Develop and expand the working relationship between the MDS staff and the Advisory Council.

Continue to monitor the work of other advisory service organizations.

Convene a review panel to examine the conceptual basis for the project and determine whether additional areas of work were warranted.

2.2.3 Third-Year Objectives

The third-year objectives were essentially a continuation of those outlined for the second year, with the addition of several new objectives which arose out of the recommendations of the review panel. These were to:

Continue in an operational mode for the purpose of enlarging the sample size so that necessary data could be obtained for the successful evaluation of the impact that MDS intervention was having on employer manpower management systems, workforces, and organizational productivity.

Explore the fee-for-services question, i.e., the willingness and ability of employers to pay for MDS-type consulting services.

Develop the internship concept as a means of recruiting and training human resource analysts to perform training and manpower consulting work.

Initiate activity leading to the institutionalization of MDS at USU.

Disseminate the findings and demonstrated practices arising out of the project.

Prepare a final report.

2.3 Summary of Project Activities

2.3.1 The First Year

The core staff of USU-MDS was initially made up of three faculty members from the USU College of Business: the project director, Dr. Gary B. Hansen, a manpower economist; and Drs. John R. Cragun and Robert C. Mecham, both industrial psychologists. The proposal called for the employment of three full-time professional staff members to function as an operational team of Human Resource Analysts with one member to serve as the team leader and Associate Director of MDS. The six member professional staff--three unviersity professors serving part-time with MDS and three full-time Human Resource Analysts (or HRAs as they are called)-- was to be supported by the employment of a full-time secretary/administrative assistant.

Extensive recruiting throughout the United States was carried out during June and July 1972 in an effort to recruit staff members. Some 63 applications for the three Human Resource Analyst positions were received. After further screening and interviewing, all the positions were filled by the end of August 1972.

In recruiting the operational team of HRAs, the intention was to balance the team with regard to skills and

experience. However, it was decided at the outset that if a choice had to be made between experience and ability, greater emphasis would be placed on the intellectual and personal qualifications of the candidates rather than on their business or training experience if in the judgment of the core staff, the candidate lacked the intellectual or personal qualities considered important to the ultimate success of the team. The average age of the team members ultimately selected was 30 years. They did not have any specific background in the field of training or manpower, but all had received graduate training, two having MBAs and one with all the requirements for a Ph.D. in public administration except for the dissertation. All of them had had several years of experience in business or government service. The secretary/administrative assistant hired had a B.A. in English and two years experience as a secretary/office manager for a firm of consulting engineers.

In the weeks following the hiring of the MDS operational team of three Human Resource Analysts, a basic program of training (described in Chapter 4) was developed and implemented to provide them with the kinds of knowledge and skills it was felt they needed to function as competent manpower consultants. Concurrently, the entire MDS staff struggled to develop and refine the project framework set out in the original proposal. The initial planning discussions were followed by on-site visits, in September 1972, by the project director to the Columbus Skill Improvement Systems project and the New Jersey Industrial Training Service at Newark.

As a result of the insights gained during these visits and additional discussion by the MDS staff, a plan of action was developed which could be presented to an Advisory Council as a basis for discussion.

The proposal for the project stated that an Advisory Council drawn from the project area would be identified and selected to provide assistance to MDS during its formative stages. Several meetings were to be held to get the advice of its members concerning the determination of specific firms or industries with which to work, the locality in which the initial discussion of interest should be conducted, and the development of tighter specifications of the diagnostic assistance to be offered and concentrated on in the early stages of the project.

The task of selecting an Advisory Council was undertaken after the recruitment and selection of the team had been completed. Ten prominent men from the Utah business and governmental community were ultimately identified and recruited to serve on the Advisory Council. The group was fully constituted by the end of September 1972.

The original plan of action prepared for the consideration of the Advisory Council called for the MDS staff to engage in three types of activitiy during the first year: (1) conducting an organizational survey with a large sample of firms in the project area (the state of Utah) to identify possible manpower-problem areas and employer attitudes; (2) conducting an in-depth organizational analysis of manpower problems in cooperation with selected firms, but to stop

short of remediation phase; and (3) undertaking steps to assist a small number of firms (three or four) plan and implement remedial action. The services would be provided free of charge to the client firms.

The plan of action called for the initiation of an agreement with the British Industrial Training Service (BITS) to undertake a review of MDS's work in conducting the training survey. BITS consultants would also work directly with MDS personnel in conducting diagnostic work and in initiating several pilot training programs in a small number of firms willing to allow MDS staff to develop their skills while working with them. The objectives were to train the operational team and, hopefully, to accomplish some good for the firms involved. The active participation of the British ITS consultants was to insure that both objectives were fulfilled. A final visit by a British ITS consultant would be scheduled several months later to evaluate the overall progress of the MDS team, to evaluate the various pilot programs undertaken, and to offer suggestions and analysis for the future direction of the project.

A first preliminary meeting was held with the Advisory Council in October 1972 to get organized and acquaint council members with the MDS staff and project objectives. Subsequently, on November 21, 1972 a half-day working meeting was held to present the Council with the MDS plan of action for their consideration. The Council was optimistic about the receptivity of firms to MDS and its services and saw no major obstacles to hinder MDS activity. The biggest

problem, as they saw it, would be in making employers aware of MDS services. Council members felt that the best way to gain entry would be by referrals from appropriate organizations or influential individuals, such as a member of the Council. Direct contact by MDS staff with potential clients might also be necessary at the outset.

Several Council members expressed doubt as to whether it would be necessary to conduct the organizational survey proposed by MDS as the first type of activity to be undertaken since much of it was already being collected by organizations such as the Employment Service and State Division of Industrial Promotion. However, the Council felt that it would be valuable for MDS to tap these sources of information for the purpose of increasing the staff's knowledge and understanding of the community. MDS could also utilize this information to advise employers where to go for assistance in resolving specific manpower problems.

The Council recommended that MDS concentrate its energies on the second or diagnostic activity (in-depth organized analysis of training and other manpower problems) for the present, while taking advantage of sufficient opportunities in the third category (planning and implementing remedial activities with client firms) to provide the MDS staff with the breadth and depth of expertise a unit of this type must have to successfully accomplish its objectives. The Council felt that the major role or function of MDS at this point in time should be that of a catalyst encouraging managers to identify and think through their

problems, then working with them to help resolve those problems identified.

The Council recommended that during the project's first year MDS should concentrate on medium-sized and small companies which it was felt would not, in most cases, have the in-house capability to deal effectively with their human resource problems. However, because of the need to establish a "track record," the Council suggested that MDS be flexible and accept any opportunities that presented themselves. On the basis of the experience gained during the first year, the Council members felt they would be in a much better position to help establish appropriate criteria for the selection of firms that should be serviced by an MDS unit and the services that should be provided.

Other recommendations made by the Advisory Council were that MDS establish contact with community manpower organizations such as the Employment Service, State Manpower Planning Council, etc. These groups should be made aware of the purpose and objectives of the project and, where appropriate, their assistance sought in publicizing the availability of MDS services. In addition, MDS should seek to identify all other public and private agencies in the Intermountain area which dealt with manpower and training problems and determine how MDS could best coordinate its diagnostic services with the work of these groups.

On the basis of the Advisory Council recommendations, the proposed survey of firms was abandoned. Rather than placing emphasis on a survey instrument and the collection

of quantifiable data which could be used to identify employers' perceptions of manpower problems and to provide feedback to them about the local labor market, it was decided that the first level of MDS activity should instead focus on outreach and publicity. This would include:

Personal contact and close cooperation with key individuals in the business community;

Wide dissemination of pamphlets and other descriptive material introducing MDS;

Introductory presentations to service clubs, trade associations, and other interested groups outlining MDS services and pointing out common manpower problems of possible concern to employers; and

Initial visits to employers, explaining the general nature of MDS services and offering specific problem-related diagnostic services to them.

Beginning early in December 1972 the three-man MDS operational team began systematic outreach and publicity activities. (Some preliminary outreach activities, particularly in the Logan area, had been initiated as early as October 1972). Personal contacts were made with community and business leaders to acquaint them with MDS and to solicit their support in making preliminary contact with firms or providing referrals of firms that would be receptive to MDS assistance. These contacts were made in Logan, Ogden, Brigham City, Salt Lake City, and Provo with Chamber of Commerce directors, Employment Service office managers, City and County officials, MDS Advisory Council members, trade association representatives, and presidents and program directors of civic clubs, minority groups and others. Wherever possible MDS staff met with these groups and

made presentations describing project objectives, MDS services, and mode of operations.

In order to further publicize MDS, a brochure explaining the organization and its operations was prepared and distributed (see Appendix A). In addition, copies of the pamphlet Upgrading Your Workforce: A Key to Productivity prepared by the E. F. Shelley Company for the Manpower Administration were distributed. Flyers announcing a forthcoming MDS workshop were mailed to employers inviting them to participate. On the basis of the favorable response to the invitation, several of these seminars were subsequently conducted in the spring of 1973. They were designed to bring a group of employers together in an informal setting to discuss common manpower problems under the guidance of MDS staff. The objective of the seminars was to develop a sense of awareness among employers of the manpower dimension of their operations which would make them receptive to MDS Assistance. In addition, the seminars were designed to teach the employers the analytical skills which would help them diagnose their own problems.

As a consequence of the foregoing outreach activities, approximately 25 firms were contacted by MDS staff during the first six months (October 1972 to April 1973). These firms ranged in size from 20 to 2000 employees. The reception was cordial in virtually all cases and often warm and enthusiastic. With the exception of five firms who stated they had no problems or were receiving adequate help from other units within the corporation, all of the firms

acknowledged the existence of problems, and most saw the importance of obtaining outside assistance. Of those firms acknowledging problems, all except five expressed a desire to have MDS perform a diagnosis in their organization.

The provision of diagnostic services to interested firms contacted through the outreach activities was initiated in the winter of 1972-73. However, the shortness of time available between the commencement of diagnostic work and the deadline for the submission of the first-year final report (and proposal for the second-year funding) did not allow for a substantial amount of diagnostic work.

Although the firms actually provided with diagnostic services by MDS prior to April 1973 were relatively few in number, the results did indicate that useful diagnostic and analytic services could be provided to employers by a small, competent consulting staff. There appeared to be a real need for this service as indicated by the percentage of employers willing to accept such assistance under the conditions which they were then being provided and by the wide variety of problems being encountered. Employers appeared satisfied and pleased with the results from their involvement, and MDS began to develop techniques for providing a quality service.

The positive results obtained during the first nine months of the project indicated that it was feasible to create and develop an advisory service model along the lines set out in the original proposal. Consequently, the MDS staff felt that the project should be extended in order to

refine and test the emerging model, further develop the organization, improve the quality, and expand the services being provided.

2.3.2 Conceptual Model of Delivery System to be Tested

The final report of the first year's activities, which was transmitted to ORD on April 12, 1973, set out the results of the work to date and presented the conceptual model which was to be established and operationalized during the second year of the project. The dimensions of the MDS conceptual model included in that report were as follows:

> A small staff recruited and selected on the basis of individual potential (rather than professional experience) and team "need" or "fit"; trained (individually and as a group) through structured, work-related experiences; organized and directed as a cohesive but complementary team; and supported by an Advisory Council from the community to lend credibility and practicality to plans and operations.
>
> An approach accepting involvement with public and private firms of diverse configurations (but specifying a priority of MDS interest) from among potential clients based on need, demand for services, potential for effecting change, and other organizational criteria such as size and type of firm, ownership and geographic location.
>
> A range of services to an employer that would provide him with an awareness and identification of specific problems in his firm, an analysis and diagnosis of recommendations for change (mutually arrived at with the employer), and help (advisory, technical, or catalytic) in implementing the proposed changes. These services, together with their supporting activities, comprised the MDS service construct, the single most important element within the model to be tested.
>
> An evaluative feedback mechanism which would provide objective and subjective criteria for performance appraisal and program redesign and change.

The dimensions of the emerging MDS service construct developed during the first year (the third element of the

conceptual model above) which were systematically tested and evaluated during the second year of the project as follows:

1. Outreach. MDS activities were initially directed toward creating interest among employers as to how MDS could assist them in ameliorating their manpower problems. The major components of this process were as follows:

   (a) From preliminary research, the MDS team would identify firms within an industry or geographical area upon which to focus MDS services.

   (b) Through utilization of the Advisory Council members, Chamber of Commerce, or other influential persons or organizations, the firms identified would be brought together for a workshop, seminar or presentation to introduce MDS services to them as a group. Alternatively, information about the MDS services would be disseminated to the target firms through the auspices of the cooperating group or agency.

   (c) From the group presentation, individual meetings would be arranged with each firm in attendance. These follow-up visits would require a high degree of skill on the part of the MDS staff members to effectively deal with employers' perceptions and insure an understanding of how MDS could be of assistance. The individual styles and interpersonal skills of each team member were considered to be the crucial element during the initial approach. Once an understanding had been achieved as to the appropriate course of action, it was essential that an agreement be immediately verbalized as to the specific services to be provided, a starting date, and the mutual responsibilities of all parties concerned.

2. MDS Services. The service MDS offered to employers oriented toward: (1) assisting in the identification of existing and potential manpower problems to discover areas amenable for improvement; and (2) developing, mutually with the manager, recommendations for possible actions to be taken for improving organizational health and performance. The process of MDS involvement with organizations was as follows:

(a) An MDS task team was assigned to conduct the diagnostic analysis based on the size and complexity of the organization.

(b) Arrangements were concluded with the company's manager to include:

Identification of areas to be surveyed;

Scheduling of supervisors and employers to be interviewed; and

Informing supervisors and employees of the purpose of the interviews.

(c) The task team then proceeded to interview designated staff employees, supervisor, workers, and such extra-organizational factors (consumers, suppliers, community officials, etc.) as were deemed important to the analysis. Also, work in progress and the production flow were observed, and pertinent personnel and organizational data (organization charts, application blanks, promotion and evaluation forms, wage and salary structures and policies, etc.) were collected by the task team as the nature of each project demanded.

(d) Problem indicators were identified and grouped on the basis of basic underlying causes that were amenable to management action. Problems differed from firm to firm, but were classified in the following general areas:

Organizational structure and supervision

Work structure

Human resources

Environment

(e) At the conclusion of the data gathering phase of the analysis, an appointment was scheduled by the task team to review and jointly discuss the data with the manager. The problem indicators were presented to the manager along with the underlying causes attributed by the task team. This provided an excellent base for discussing the manager's expectations of and reactions to the existing conditions. The manager's additions to MDS observations were then listed and evaluated for inclusion in the proposed action for effecting change.

This interaction provided impetus for sensitizing management to the importance of dealing with manpower problems and, equally important, for proposing mutual recommendations that were realistic to the specific firm involved.

(f) The task team then provided the employers with the technical assistance necessary to implement the proposed organizational changes. This was provided according to the employers' needs and capabilities in the following ways:

Support and advice to individual managers in utilizing their internal resources.

Referral to external agencies who were capable of provided these technical services.

MDS workshops to develop employers' technical abilities on a group basis.

MDS contracting with the employer to carry out the implementation activities.

(g) Criteria were established for measuring effectiveness and evaluating the impact and the quality of MDS services in a firm.

Employing the service model, MDS contacted 141 employers over the next year and a-half, and worked in some depth with 71. The findings and results of these contacts are described in Chapter 3.

2.3.3 The Second Year

In addition to systematically testing and evaluating the above MDS service construct, it was proposed that sometime during the second year an evaluation of the project would be made by an impartial panel convened under the direction of the Manpower Administration's ORD. A decision would then be made in consultation with the ORD staff about the future direction of the project. The proposal for second-year funding was extensively reviewed

by the ORD staff and outside consultants and was subsequently approved in June 1973.

During the first week in July 1973 the entire MDS staff was brought together for a three-day retreat. The purposes of the retreat were: to provide a favorable setting for a thorough review of every facet of the project during the first year; to plan the work to be carried out in the second year; and to organize resources so that the plan of action adopted could be effectively carried out. In the course of these sessions, major objectives were identified. An attempt was made to operationalize these objectives and to establish priorities for their accomplishment. The operational steps for each objective were made more specific by assigning each topic to a smaller task group. Topics dealt with included the service model (outreach, diagnosis, implementation, evaluation), and advisory council, record-keeping, team development, and the staffing, housing, and funding of an advisory service. On the basis of the work done by the task teams and the subsequent review and modification by the entire staff, a detailed plan of action was developed under which the project operated during the remainder of the second year.

One area deemed to be of critical importance, and which received a great deal of attention during the retreat, was the development of a framework for systematically testing and evaluating the MDS service construct.

In order to facilitate the process of evaluating the impact of MDS services on firms, particularly the measurement

of changes occurring as a result of MDS intervention, an attempt was made to identify the questions that needed to be answered in order to evaluate each component of the service model. This included efforts to identify the original source of the data that was used to answer the questions, to determine how best the data could be collected (from whom, by whom, using what instruments, and when), and to decide what procedures would be used to tabulate and analyze the data collected.

The next step undertaken involved developing the necessary instruments for use in data collection and then pilot testing them in actual operations. One of the primary objectives in the design of the evaluation framework was to establish procedures that would allow the collection of baseline data--both hard and behavioral. These data would provide indicators of orgainzational health, particularly as they related to the effective utilization of human resources. If such data could be obtained prior to MDS intervention, and at appropriate intervals thereafter, an attempt could be made to measure the impact of MDS involvement on the organization. This assumed, of course, that MDS involvement could in some way be isolated from other influences on the organization during or after the period of MDS involvement. While it was fully realized that considerable difficulties would be encountered in carrying out such an effort, the project staff nevertheless felt it was of such importance that the effort should be attempted.

The implementation of the evaluation design was facilitated by the employment, in November 1973, of a person with knowledge of statistics and computer programming to serve as an evaluation specialist. His primary assignment was to assist in the further refining and implementing of the evaluation design. A review of the data collection instruments then being used was undertaken to determine their usefulness in obtaining data. Where necessary, the forms were modified or redesigned to more effectively collect data and to facilitate the transfer of data for eventual computer coding. The revised data collecting system consisted of ten instruments. (Copies of these forms and a description of their use are given in Appendix B).

In addition to the "standardized" data collection measures employed with all client firms, the MDS staff also began collecting quantitative and qualitative data unique to specific firms to further help evaluate each individual project undertaken by the operational team. This activity was undertaken so that some relevant and specific data would not be lost by being subsumed into the overall evaluation. The results could then be written up in a case history or in some other appropriate format. This additional evaluation procedure was developed as a consequence of one of the recommendations of the review panel and in recognition of the fact that the more standardized data sought might not be obtainable or, even if obtained, might not provide any meaningful results.

As a result of the retreat in July 1973 and the subsequent work outlined above, it was determined that the structure of the MDS organization should be modified and new role assignments made to facilitate the systematic testing and evaluation of the service construct. The three-man operational team, under the direct supervision of the Associate Director of MDS, was given the primary assignment to function in an operational mode as a human resource consulting unit. The organization and functioning of this group was designed to optimally utilize their talents and resources in providing competent consulting services to any and all clients obtained. USU staff members assumed the primary role of evaluation under the direction of Dr. Robert Mecham. USU staff members also functioned as resource persons to the operational team and worked with them on specific projects where appropriate. The Project Director maintained the overall responsibility of coordinating the efforts of the total MDS staff.

MDS began operating under the revised structure on September 1, 1973. From that time forward--until funds were withdrawn in January 1975--data were systematically collected for evaluation purposes on all new and, where possible, present or past clients.

The workload of MDS increased steadily throughout the summer and fall of 1973 as more organizations became aware of the services available and the credibility of MDS increased. By the end of September 1973 MDS had a modest

but growing backlog of work and began to receive a few unsolicited requests for assistance.

Several methods of outreach were especially helpful in generating work for MDS in 1973. A request was received from the State Manpower Planning Council in late 1972 to provide consulting assistance to the Utah needlecraft industry which they deemed to have serious manpower problems. MDS's acceptance of this assignment resulted in a substantial volume of work both on the individual firm basis and, subsequently, on an industry-wide basis. After considerable time and resources had been expended on behalf of the industry, MDS staff determined that project objectives would not be best served if a continuous involvement with only one industry was maintained at the expense of other firms and industries needing assistance. Consequently, MDS disengaged from the industry and devoted its resources to assisting other firms and industries. (The involvement by MDS in the needlecraft industry is described in Appendix C.)

A second development in the fall of 1973 also contributed to the increase in the workload of MDS. In response to a suggestion made by one of the United States Employment Service staff members invited by ORD to review the first-year report of the project, MDS staff initiated discussions with officials of the Utah State Employment Service directed toward establishing a more cooperative relationship. The result was a memorandum in August 1973 from the Director

of the Utah Employment Service to office managers and Employer Relations Representatives (ERR) in each Employment Service office throughout the state instructing them to serve as outreach agents for MDS by identifying employers with training and other manpower management problems and making MDS services known to them. THe ERR cooperation was quite good from the outset, and their efforts were helpful in identifying several firms in need of MDS services. The MDS staff reciprocated by making a conscientious effort to encourage client employers to make use of the Employment Service wherever appropriate.

At the end of August 1973 the ORD program officer for the project, Ms. Linda Kontnier, made an on-site visit to meet with the MDS staff and appraise the work then underway. One of the topics discussed during her visit was a paragraph in the Statement of Grant for the project's second-year's work which stated:

> Toward the latter half of this second phase, the Grantee's work will be reviewed in an effort to determine whether an additional area of work is warranted to examine questions related to the financing of such diagnostic services as may be provided by this type of mechanism.

On the basis of the discussions held with Ms. Kontnier during her visit, it was decided that a review of the project should be undertaken by a panel of outside consultants during the early part of 1974. The review panel was selected jointly by ORD and the Project Director. Members ultimately selected were J. G. Hart, President, Stackpole Components Co., Raleigh, North Carolina; Mort Harvey, Bureau of Manpower

Training, New Jersey Department of Labor and Industry; Dugan Laird, Training and Development Consultant, Decatur, Georgia; and Fred H. Schmidt, recently retired from the Economics faculty of the University of California at Los Angeles.

The panel assembled in Logan, Utah, on March 4, 1974 and conducted its review over a two and one-half day period. In its March 18 report to ORD the panel recommended that (1) the project "emphasize evaluation in future activities"; and (2) "having established that there is a need for its services, (the project) should now determine whether there is a market for them. The panel feels a preference for having employers make some payment for the services they receive."

On the basis of the recommendations of the review panel and further discussions with ORD, a proposal was submitted to ORD on May 10, 1974 to extend the project for an additional twelve months. The three key areas of work pursued during the third year were:

> The application of recently designed evaluation instruments for the purpose of determining the degree of impact that project intervention is having upon employers' management systems; and the shedding of light on the larger questions of whether improvements in the situation of the employed workforce can be effected by addressing specified manpower needs of employers.
>
> A determination of the value of project services and/or of the delivery mechanism itself as reflected in the willingness of employers to pay for such services.
>
> A determination of the value of project services and/or of the delivery mechanism itself as reflected in the willingness of some other public agency(ies) to

assume sponsorship of the project (or its discrete services) at the end of this transition year.

2.3.4 The Third Year

The decision of ORD to extend the project for an additional year enabled MDS to recruit a new staff member to replace the Human Resouce Analyst who left in January 1974 to take a position as director of training with a major Intermountain bank. His untimely departure slowed down the ability of the operational team to obtain sufficient client firms to adequately test and evaluate the service model. The situation was exacerbated by the fact that the replacement of the HRA was not practical until it could be determined whether the project would be extended for a third year. On the basis of the favorable ORD funding decision, three HRA Interns were eventually hired (instead of one HRA and one HRA Intern as planned); the first one beginning employment in July and the other two in August 1974. After an appropriate trial period, one of the Interns was promoted to HRA.

The addition of three new staff members in July and August 1974 enabled MDS to substantially expand operations. During the first two years MDS made contact with 80 client firms and worked extensively with about 35 firms. However, because of the delay experienced in implementing the evaluation design and the difficulty encountered in collecting data, it was felt that additional case experience was needed to provide an adequate sample for the evaluation of the impact of project interventions upon the client firms and their work forces. An additional 15 to 25 firms was considered

a desirable goal. Consequently, the expanded operational team was charged with continuing their full-time efforts in outreach and delivery of services during the coming months with the emphasis on diagnositc assistance. Their activities were to be harmonized with the evaluation needs and the new areas of work outlined for the projects' third year, i.e., the fee-for-services question and the institutionalization of MDS.

Shortly after the work on the new area of work outlined for the third year got underway, a series of events occurred elsewhere which threw MDS into turmoil and the 1974-75 plan of work for the project into a "cocked hat." These events were unwittingly precipitated by the decision of ORD in June 1974 to extend the project for two months, until August 31, 1974, with operations to continue on existing resources. The final phase of the project September 1, 1974 to August 31, 1975 would be funded out of FY 76 appropriations. These arrangements were completed, and the funding of the project out of anticipated FY 76 appropriations was approved in due course. The three new staff members had been hired and the plan of work for the third year of the project was well under way when word was received in late September 1974 that an attempt was being made in Congressional Appropriations hearings to reshuffle $7.4 million of the Department of Labor's FY 76 appropriation. (Unfortunately for ORD and MDS, the Appropriation Bill for the Labor Department had not yet been approved by Congress. At the time the

Department was operating under a Continuing Resolution awaiting the passage of the necessary appropriation bills.) Part of this Congressional proposal included a shift to another bureau in the DOL of $5.6 million from funds allocated for research in the Office of Manpower Research and Development in the Manpower Administration.

ORD staff communicated to MDS that if the transfers were approved by Congress, USU and many other ORD grantees would probably incur budget cuts. ORD spokesmen indicated that they had already allocated more of the FY 76 funds than would be available if the $5.6 million were taken from their budget. MDS lived with this uncertainty for nearly three months while the appropriation bills were debated in Congress. In the interim, contingency plans were developed and preparations made to reduce the level of activity should the worst occur. Finally, on January 8, 1975, formal notification was received that the loss of funds had materialized, and MDS would lose $95,000 of the funds already granted for the period from September 31, 1974 to August 31, 1975.

The withdrawl of 47.44 percent of the funds budgeted for the third year of the project--nearly halfway through the fiscal year--posed some serious problems, both of a personnel nature and in terms of the original plan of work submitted to ORD on May 10, 1974. As a consequence of this event, a revised budget and plan of work was submitted to ORD on January 15, 1975 (See Appendix D). It recognized that the bulk of the grant funds remaining had been used

by that time. The resources available for staff salaries, which constituted the major expenditures under the grant were virtually exhausted. Consequently, in order to accomodate the loss, the following actions were taken: two interns were terminated on December 31, 1974 after five months of service with the MDS staff; the project evaluation specialist was reduced to less than one-half time beginning January 1, 1975; the contracted time of the Project Director and USU professional staff were reduced by six months beginning January 1, 1975, none of them were on the project funds thereafter; the time of the non-faculty professional staff was reduced from 36 to 17.4 man-months, and none of them were on project funds thereafter; the secretarial and clerical services were reduced by two months, placing the secretary on two-thirds time for the remainder of her attachment to MDS; and the financial support for a graduate assistant was reduced from twelve to five months, thus eliminating him from project support.

The objectives underlying the above personnel actions were to maintain a modicum of MDS operational capability for the remainder of the grant period while all avenues for obtaining alternative financial support could be fully explored and to retain the services of the key non-faculty professional staff as long as possible in order to draw upon their knowledge and expertise in writing the final report.

The MDS team essentially terminated all general outreach efforts and the delivery of services under ORD grant funds as of December 31, 1974. Work carried out thereafter was directed toward specific projects funded or contracted by private firms or public agencies. The work generated in this period is described as part of the effort to institutionalize MDS which is included in Chapter 4.

Because of the necessity of reducing the evaluation specialist to less than half-time status as of January 1, 1975 and his subsequent termination in July 1975, the evaluation phase of the project was slowed to a virtual standstill. The sample data on all firms MDS was involved with during the first two and a-half years of the project (July 1972 to December 1974) were finally coded in the summer of 1975. MDS contacted 141 firms during the period and data were collected on the 71 firms with which some activity beyond the initial contact occurred. The computer programs were eventually "debugged"; and the data were processed in the fall of 1975.

In July 1975 the Associate Director of MDS resigned to accept employment with the International Labor Organization to work on a project in Bogota, Colombia. He is currently assisting in the development of a Small Firm Management Consulting service within SENA, the Colombian National Training Agency. The MDS Secretary/Administrative Assistant also left in July 1975. On August 1, 1975 one of the Human Resource Analysts was promoted to Associate Director

of MDS. A part-time secretary was also hired to provide secretarial support to the unit.

One addition was made to the staff in 1975 by the return of a former Intern who had been laid off in December 1974. He returned in June 1975 and offered to work for MDS to see if he could generate enough business to pay for his salary. So far his efforts have been quite successful.

With the survival of MDS as the primary objective during 1975, little time was left the for the analysis of data and writing of the final report. By the close of the year this objective appeared to be close to achievement. Consequently, the time appeared propitious to write the final report and close out the R & D phase of the project. The work of writing the final report got underway in December 1975 and was completed the end of February 1976.

Chapter 2

Footnotes

1. The following is a selected list of studies which dealt with the problems of training in industry and the need for assistance. Bureau of National Affairs, Training Employees, (Washington, D.C. 1969); Climbing the Job Ladder: A Study of Employee Advancement in Eleven Industries, Prepared for the American Foundation on Automation and Employment (New York and Washington, D.C.: E. F. Shelley and Company, Inc., January 1970); John B. Corey, "Manpower Services and Training in Utah: Employers' Attitudes, Responsibilities and Needs" (unpublished Master's thesis, Utah State University, 1970); Peter B. Doreinger and Michael J. Piore, Internal Labor Markets and Manpower Analysis (Boston: D.C. Heath and Company, 1971); Government Commitment to Occupational Training in Industry, Report of the Task Force on Occupational Training in Industry (Washington, D.C.: Government Printing Office, August 1968); Gary B. Hansen, Britain's Industrial Training Act: Its History Development and Implications for America (Washington, D.C.: The National Manpower Policy Task Force, 1967); John L. Iacobelli, Training in Private Industry: Policies, Attitudes, and Practices of Employers in Greater Cleveland, Manpower Research Monograph H. 22, Manpower Administration, U.S. Dept. of Labor (Washington, D.C.: Government Printing Office, 1971); Manpower Information Service, Vol. 2, No. 22 (July 21, 1971), pp. 510-511; Charles A. Myers, The Role of the Private Sector in Manpower Development (Baltimore: The Johns Hopkins Press, 1971); Richard Perlman, On-the-Job Training in Milwaukee--Nature, Extent, and Relationship to Vocational Education (Madison: University of Wisconsin, 1969); Michael J. Piore, "On-the-Job Training in the Dual Labor Market: Public and Private Responsibilities in On-the-Job Training of Disadvantaged Workers," Public-Private Manpower Policies ed. by Arnold Weber et. al. (Madison, Wisconsin; The Industrial Relations Research Association, 1969); Gerald G. Somers, "Pilot Feasibility Study of Training in Business and Industry" (unpublished study for the Office of Research, Manpower Administration, U.S. Department of Labor, 1970); U.S. Department of Labor, Formal Occupational Training of Adult Workers Manpower/Automation Research Monograph

No. 2. (Washington, D.C.: 1964); U.S. Department of Labor, Training of Workers in American Industry Research Division Report No. 1 (Washington, D.C.: 1964); U.S. Office of the President, Manpower Report of the President including a Report on Manpower Requirements, Resources, Utilization, and Training by the United States Department of Labor (Washington, D.C.: 1971).

3. PROJECT FINDINGS AND EVALUATION RESULTS: QUANTITATIVE

3.1 Introduction

Utah State University Manpower Development Service (USU-MDS) was created in an attempt to gain an understanding of questions and issues deemed critical to the effective delivery of manpower training consulting and technical assistance services to employers and the employed workforce.

The selection of Utah and the Intermountain West as the setting for a pilot project of this kind was made for a number of reasons. In addition to the fact the project director and senior staff were located in Utah, it was recognized that the project area was a relatively small labor market area with many of the same problems faced in the rest of the nation: above average levels of unemployment, considerable emphasis by public and private agencies on economic development, relative inaccessibility to manpower consulting services that might be available in larger metropolitan areas, substantial number of disadvantaged and ethnic minorities, and serious rural to urban migration problems.

It was felt that the proposed project would be able to reach a broad cross-section of the employer community in the area rather than be swallowed up as another miscellaneous activity as might be the case in a large area.

Furthermore, the resulting impact of the services provided by USU-MDS might also be more readily discernible, if not measureable.

In general, Utah is quite representative of the Rocky Mountain region of which it is a part. This area has been rapidly increasing in population and industry during the past decade. The states in the region are characterized by a few large and expanding metropolitan areas (Denver, Salt Lake City, Phoenix, Albuquerque), bounded by sparsely populated rural hinterlands. These rural areas are, however, the storehouse of much of the nation's mineral and energy resources, and they are now beginning to come to life under the increasing pressure and demand for coal and other energy related resources. Most of the states in the region, and Utah in particular, have a lower percentage of their nonagricultural workforces engaged in manufacturing and a higher percentage than average employed by government.

While educational levels of the population (except for New Mexico) are higher than the national averages, the lack of employment opportunities have tended to keep the unemployment rates at or above the national levels. With the exception of Wyoming and Colorado, all states in the region are below the national average in per capita personal income. In 1974 Utah per capita personal income was only 82.1 percent of the national average. Part of the reason for Utah's low capita personal income lies in the fact that the state has households with relatively larger families, and the state

generally has a smaller percentage of its population in the labor force than does the nation as a whole.

Finally, while most of the states in the region have relatively lower percentages of minorities among their population than the nation as a whole, they do have substantial number of these groups--especially Chicanos and American Indians. (For a more detailed description of the economic and social characteristics of the project are see Appendix E).

Among the questions demanding attention and consideration during the course of the MDS project were the following:

What are the kinds of manpower and training problems facing employers in Utah and surrounding areas?

What kinds of employers are most receptive to the range of services provided by a small consulting unit operating from a university base?

Can consulting and technical services be systematically evaluated in terms of long-range effect or impact?

What effect will these services have on employer and employee interests in client organizations, i.e., on productivity and quality of working life considerations?

Is the university an appropriate base for the organization and delivery of manpower services to employers and the employed workforce?

What is an appropriate role for a community based advisory council in supporting and helping to guide policy and operational objectives of the consulting unit?

What is an appropriate method and approach to train, develop, and upgrade Human Resource Analysts (HRAs) to maintain a high quality of professionalism in the delivery of manpower services?

What are the advantages and disadvantages of an internship program to recruit and train new HRAs and to extend the reach of the operational unit into the academic sphere?

Can the advisory service unit serve as a manpower extension service in disseminating research results, new ideas and techniques to employers in the service area?

Are employers able and/or willing to pay for the services provided by the advisory service unit?

Can or should the advisory service unit be expected to be completely self-supporting; are there any valid reasons for subsidizing the delivery of these services?

The project findings and evaluation results discussed in the following sections of this chapter treat the questions and issues presented above and provide the framework for the policy recommendations discussed in Chapter 6.

3.2 Project Evaluation: Design and Format

One of the primary challenges of the MDS approach, and the one most immediately pertinent to this section, was the difficulty encountered in setting up and administering an effective system to evaluate the impact of services rendered. MDS was unable to classify its research efforts in traditional laboratory or experimental terms. While data were systematically gathered, the environment and conditions under which it was collected were so diverse and situation-specific as to obviate controlled replication in the classical sense. The research and work conducted by the MDS team fell into the general classification of action research. While this category of research is loosely and variously defined, its minimum components seem to be:

1. A combination of internal and external resources in an organization
2. focused on a specific problem area

3. to solve a problem and enhance organizational learning that facilitated an organization's capability to act

4. and added to the body of knowledge available generally.

The concern of the MDS team for client needs articulated during the diagnostic phase ineluctably conditioned the quality and quantity of data available for traditional research purposes.

Replication became almost impossible as the data became more discrete, more organization-specific, and more difficult to classify and generalize. Information is often priviliged, and the consultants' behavior must manifest that trust. The interaction of internal and external resources inevitably freed new information and resources not previously available; and the dynamic interactive process itself could change the nature of the initial involvement.

The conditions imposed on the MDS research team by an action research orientation did not preclude the possibility of incorporating a formal evaluation system into the operations of the consulting team. The design and implementation of a workable evaluation system was an important ingredient in the final proposal submitted to the Department of Labor (see Appendix B for copies of survey instruments and forms used to collect data from employers). The evaluation system that emerged from initial applications of the MDS model had the following characteristics:

1. Evaluation was based on client employers' perceptions of the value of MDS services and the impact the services

had on himself, on his organization, on his workers, on productivity, and on related measures. The rationale for an employer-oriented evaluation system was based on the mission and philosophical objectives of the consulting unit to affect change in organizations through management level personnel. As the employer was the critical variable in virtually every intervention and the focus of MDS activities, he also became the target for evaluation efforts.

2. Where base-line data on a pre- and post-involvement basis were unavailable, measures of attitude and behavior change were substituted to indicate the level and intensity of impact.

3. Measures of receptivity, attitude change and behavior change were recorded following each significant contact with client employers and became part of a permanent file kept on each client.

4. A statistical program was developed to aggregate and tabulate the data. Additional measures of variability, correlation, comparability, and appropriate statistical methods were employed as feasible.

5. Results of evaluation on a continuing basis were given to consultants as feedback from employers relating to their consulting style, approach, effectiveness, and their individual strengths and weaknesses. This ongoing assessment of operating effectiveness became a by-product of the more general evaluation activities.

MDS identified two dependent or criterion variables that were used to evaluate MDS activities. These were receptivity and impact of services. Receptivity was defined as the acceptance of some form of involvement* beyond the

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*An initial involvement with a client organization took different forms. Most typically it was a diagnostic activity designed to describe actual conditions in the organization among the related components of structure, work process, personnel, policies and procedures, and relationships. Less often, an initial involvement following an outreach contact might include a workshop, a training program, a wage and salary survey, or some other remediation activity. Occasionally an initial involvement was purely informational or promotional, having neither the characteristics of a diagnostic nor an implementation activity.

outreach stage by a potential client firm or organization. Impact was identified as the effect of a remediation activity (training, team building, career and job mobility planning, organization development, job redesign) on attitude, behavior, performance, and structural change. Indices of impact included wage and benefit increases; reductions in turnover, absenteeism, accidents, and tardiness; changes in physical plant; attitude changes among management and supervisory personnel; the improvement of morale and job satisfaction; and changes in organization structure and relationships.

Initial expectations of the MDS research staff were that the two dependent variables of receptivity and impact were related to and predicted by the following range of independent variables:

1. Nature of Business
2. Ownership
3. Organizational Life Cycle
4. Size
5. Organization Sophistication, Specialization
6. Management Commitment
7. Management Involvement
8. Duration of Involvement, Timing, and Follow-up
9. Type of Services Rendered

In addition, it was expected that the criterion variables of receptivity and impact would be substantially affected by the following moderating or intervening variables:

1. The state of economy, locally and nationally;

2. The personality and approach employed by the MDS consultant with any given organization;

3. The attitude of the client or potential client toward government involvement in business affairs, university involvement in the practical areas of the business community, and the intrusion of outsiders into the private affairs of the business organization;

4. The timing of the contact or visit with the employer to avoid seasons, weeks, days, or hours that were critical and indispensable to the employer and commanded his complete attention on a cyclical basis;

5. The geographic location of the firm and the urban-rural characteristics of the local business communities and labor markets.

Each of the two dependent variables was examined and analyzed in some depth in an attempt to establish a predictive or explanatory relationship with each of the independent and moderating variables mentioned above. In addition to the survey questionnaires and statistical techniques used to develop a quantitative base from which to evaluate receptivity to and impact of services, individual and team observations and experiences were collected and interpreted to form a qualitative base from which the issues of the university as a base of operations, the advisory council, internal training and development, the MDS internship program, the institutionalization of the MDS unit, and the question of fees for services rendered are discussed and evaluated.

The most unfortunate note relative to the evaluation design was that the exhaustion of project resources precluded the more extensive analysis of the data beyond the tabulation presented. Hopefully, sufficient resources can be obtained

at some later date to complete the more elaborate statistical tests which were planned for use with the data.

3.2.1 Summary Conclusions - Project Evaluation: Design and Format

- MDS evolved into an action research evaluation model and found the pure experimental or laboratory models inappropriate to employer oriented consulting services.
- The research design postulated that receptivity and impact of services were affected by the client's perceived need and perceptions of organizational problems, nature of business, ownership of enterprise, organization life cycle, size, organization sophistication and specialization, the commitment of management, the involvement of management, duration of involvement, timing and follow-up and type of services rendered. Also impacting on receptivity and impact of services were the state of the local and national economy, the personality and approach of the MDS consultant, the attitude of the client towards government and the university, the timing of the contact, and the geographic location of the firm.
- Receptivity and impact of services were considered as appropriate indicators to collect, analyze and interpret.
- Evaluation data were considered useful to measure the general effects of services and HRA performance, the results of which could be fed back to improve and reinforce positive performance.
- Both quantitative and qualitative data on client firms should be collected, filed and evaluated.

3.3 Manpower Development Service as a Delivery System

Manpower Development Service was originally conceived of as a human resource diagnostic and advisory service which would determine the state of the organization and its employees. This would be done by such analytic means as interviews, questionnaires and surveys, work and production flow observation, job and task analyses, various kinds of personnel and productivity audits, and by comparing the performance of

the client employer against similar kinds and sizes of firms within the same or a related industry. The MDS diagnostic approach to technical assistance was initially based on the following operational and philosophical premises:

1. A demand for diagnostic and advisory services existed among employers comprising the Intermountain labor market.

2. The demand for these services could be identified and met by a small team of consultants operating from a university base.

3. The consulting team could develop a "self-help" attitude and approach among employer clients.

4. The diagnostic and advisory services delivered to employers would have a "multiplier effect" throughout and beyond the host organization, partly because of the trickle-down nature of the services, and partly because of the long-term commitment to change implicit in the "self-help" notion required of the employer and key personnel within his organization.

5. A spectrum of resources existed in the local community to which clients would be referred for appropriate remediation activities (training, job and organization redesign, production engineering, organization development, etc.) following the diagnostic analysis.

6. The consulting team would maintain contact throughout the implementation phase to insure follow-up and long-term continuation of the remediation activity and to collect data useful in evaluating the impact of services rendered, both at the diagnostic and at the implementation levels.

MDS's initial concepts of helping employers to help themselves (which in effect rejected any strong dependence development between firms and MDS) and of serving as a catalytic agent to multiply the effect of its initial diagnostic and advisory service were stressed very heavily. In order to avoid duplication of services, MDS sought also to play the role of broker by referring clients to agencies and

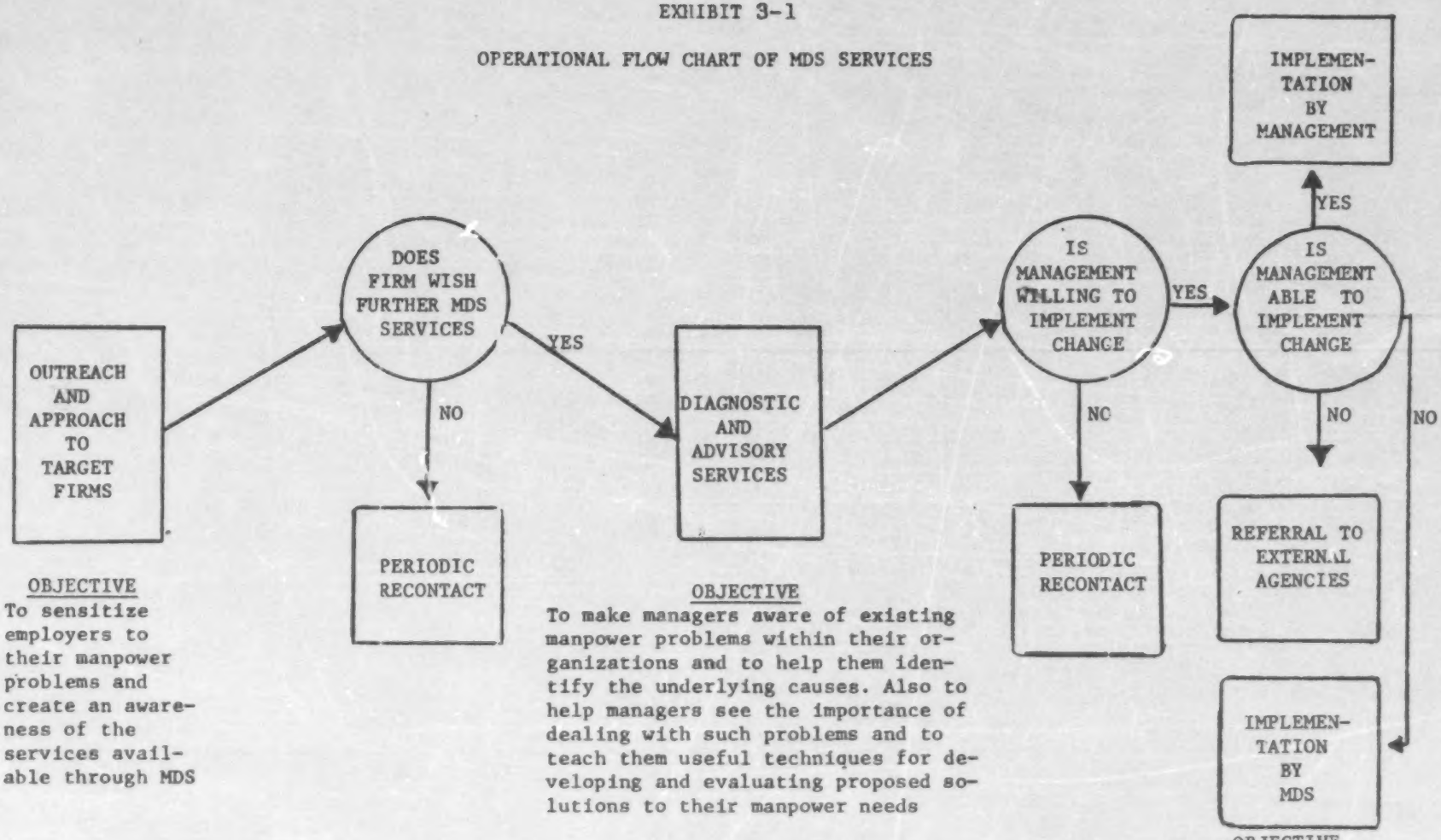
organizations for specific remedial assistance beyond the diagnostic phase when an employer's problems and concerns were identified and could be matched up with existing services provided elsewhere.

Although these philosophical notions were not rejected, they were modified in practice. In the course of the project, experience indicated that it is difficult for many employers to assume a self-help posture. This is especially true of those who employ between 25-500 workers and have little or no specialized personnel or human resource development function. Existing resources must be freed to perform the role of liaison, and eventually of internal consultant, but in the short term at least, those resources can only rarely be spared. Furthermore, permanent, long-term change requires at least six months to a year of involvement before the client organization has internalized the change elements of commitment, evident program success, continuity, and security required to maintain it. Also, MDS was forced into a more active implementation role as few existing consulting and service organizations in the locale had the resources, inclination, and capabilities to service referrals made to them by MDS on behalf of its clients.

What emerged as a result of MDS experience was an employer and organization consulting service expending its resources in the following four fairly distinct areas of activity described below and graphically presented in Exhibit 3-1.

EXHIBIT 3-1

OPERATIONAL FLOW CHART OF MDS SERVICES



OBJECTIVE

To sensitize employers to their manpower problems and create an awareness of the services available through MDS

OBJECTIVE

To make managers aware of existing manpower problems within their organizations and to help them identify the underlying causes. Also to help managers see the importance of dealing with such problems and to teach them useful techniques for developing and evaluating proposed solutions to their manpower needs

OBJECTIVE

To provide the MDS staff with the experience of implementing technical services, to refer employers to appropriate agencies, and to provide expertise and assistance when no other means are readily available

1. Marketing and Outreach Activities

   a. Group presentations

   b. Surveys

   c. Contacts with referral sources

   d. Initial contact or contacts with a potential client before actual consulting activities begin

2. Diagnostic and Analytic Activities

   a. Interviewing

   b. Developing, administering, and evaluating questionnaires and a range of surveys (morale, wage and salary, organizational health)

   c. Observing work and production flow and worker behavior

   d. Analyzing tasks, jobs, and structural characteristics, superior-subordinate relationships, utilization of manpower and other resources

   e. Auditing personnel, training and other functional files and procedures

   f. Comparing a client's firm with similar kinds and sized organizations in the same or a related industry

   g. Interacting with the employer to identify and prioritize areas of concern, to develop remediation strategies and tactics, and above all, to secure the commitment and active participation required to make needed changes

3. Remediation and Implementation Activities

   a. Training and development activities, including skills, supervisory and management training and development

   b. Wage and salary surveys

   c. Job evaluation and job family classification surveys

   d. The development of more efficient, effective methods to recruit, test, select, place, orient, train, evaluate and promote personnel

e. Career mobility models

f. Organization development (OD) activities stressing team building, cooperative problem solving, conflict resolution, feedback networks, communication skill development, change strategies and technologies and effective resource utilization

g. Program and curriculum development

h. Job design and redesign

4. Evaluation Activities

a. Wherever possible, systematically collecting and analyzing organizational and behavioral data from client employers and their employees before, during, and at periodic intervals after MDS involvement. These data provide indicators of organizational health, particularly as they relate to the effective utilization of human resources and help to determine the receptivity of potential clients to MDS services and the impact of MDS involvement on the organization.

This approach adopted by USU-MDS was manifestly employer oriented, which is not to say it ignored the needs and concerns of the rank and file worker. Rather it was an assessment of the realities of organizational life and an admission that any meaningful organizational change, including that which would benefit the workers, must involve the sanction and active participation of management at the middle and upper reaches of the organization. Lacking this support, proposals for change, regardless of their merit or point of origin, die quiet and speedy deaths. The employer became the critical variable in the MDS approach to technical and human resource assistance; and the relationship between the employer and the consultant determined the dimensions of the subsequent diagnostic and implementation activities. The principal strengths of this approach were the flexibility given the

consultant to focus on any issue or problem that he encountered during his diagnosis of the client organization, and the objectivity with which he could approach any issue. He was neither labor's nor management's man, but attempted to reconcile the differences between these two parties in outlook, background, and perception in addressing common areas of interest such as labor productivity, the quality of working life, man/job match, job satisfaction, and related issues. The intent of the MDS consultant was to be seen as an unbiased third party through whom problems are articulated and submitted for consideration and change, not as an agent of any party with a vested interest in that particular organization through whom predetermined solutions are imposed.

In using the above described consulting approach in the project service area, MDS had to guard against exhausting its limited resources in implementation activites with a relatively small number of client firms because of the inability or total lack of community resources to service the clients' needs beyond diagnosis, and because both employers and consultants may develop a psychological need that is satisfied by continued involvement. MDS was able to adequately contain the psychological aspects, and while financially supported by ORD funding, maintain a desirable balance between diagnostic and implementation activities. However, the problem of maintaining balance in the kinds of work performed became much more serious when MDS was

abrubtly forced to become self-supporting, and the very survival of the unit was at stake. After January 1975, implementation activities became considerably more attractive because of their higher dollar payoff and the fact that they could be more readily marketed, especially to the larger firms.

This last problem underscores the need for an advisory service unit to have access to financial resources in addition to those which must be obtained from fee-for-service work. Such resources are necessary to underpin the continuing delivery of diagnostic services, particularly to small and medium-sized firms. Without them the unit will have less freedom to determine the type of work which should be undertaken and for whom, and will probably be inexorably drawn toward implementation activities. This situation will result in a consequent reduction of the public service activity which can be undertaken, and seriously impede the ability of the unit to reach a broad cross section of the employer community and its problems.

3.3.1 Summary Conclusions - MDS as a Delivery System

- Initial operational expectations were modified to meet employer needs. The initial concept of MDS as a predominantly diagnostic service, the notions of "self-help" and "multiplier effect" and the practice of referring clients to existing consulting resources were all modified in practice even though the original thinking held in appropriate situations.

- The operational model of outreach, diagnosis, implementation, and evaluation proved practical, valuable, and enduring.

- MDS's team approach to diagnostic and consulting services involving an operational and academic mix of resources and experience resulted in a flexibility and professional capability that benefited both MDS operations and the academic community.

- MDS had to guard against exhausting its limited resources in implementation activities with a relatively small number of firms because of the inability or total lack of community resources available to service client needs beyond diagnosis.

- A manpower advisory service unit which must be completely self-supporting through fee-for-service work will be inexorably drawn toward financially more remunerative implementation activities, with detrimental consequences for public service activity and the ability to service the needs of small and medium-sized firms.

3.4 Quantitative Findings

MDS was formally created and funded in July 1972 and continued under the auspices and full financial support of a Department of Labor research and demonstration grant until January 1975.* During that period of time, it had some contact with or worked in some capacity with 141 firms and other client organizations: 70 at the outreach level, 39 at the diagnostic level, and 32 at the implementation level.** Of these organizations, 117 were in the private sector and 24 were government organizations

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*Since January 1975, MDS has independently secured most of the resources to continue its research and service operations.

**If one assumes that all firms at the implementation level have also passed through the diagnostic and outreach levels, and those at the diagnostic level through the outreach phase as well, then 141 firms would have received outreach activities, 71 diagnostic, and 32 implementation activities.

or agencies of one kind or another. In size they ranged from 10 employees to more than 5000 with an average of 209 and a median of 145 employees.*** Of the firms contacted or worked with: 59 were either family organizations or were controlled by one family; 77 had affiliations with a parent company; 96 used on-the-job training to train, develop, and upgrade their workforce while less than 25 used any other training strategy to upgrade skills at the hourly, supervisory, or management levels; 93 had no previous experience with consultants or consulting services of any nature. Geographically, 64 of the 141 firms contacted were located in a rural area of the state; 77 were in urban areas. A complete plotting of firms contacted and worked with by geographical location is found in Exhibit 3-2.

MDS worked beyond the outreach phase with 71 of the 141 firms contacted, a 50 percent success ratio. Firms and organizations wishing no further contact or involvement did so for a variety of reasons: no problems or relatively

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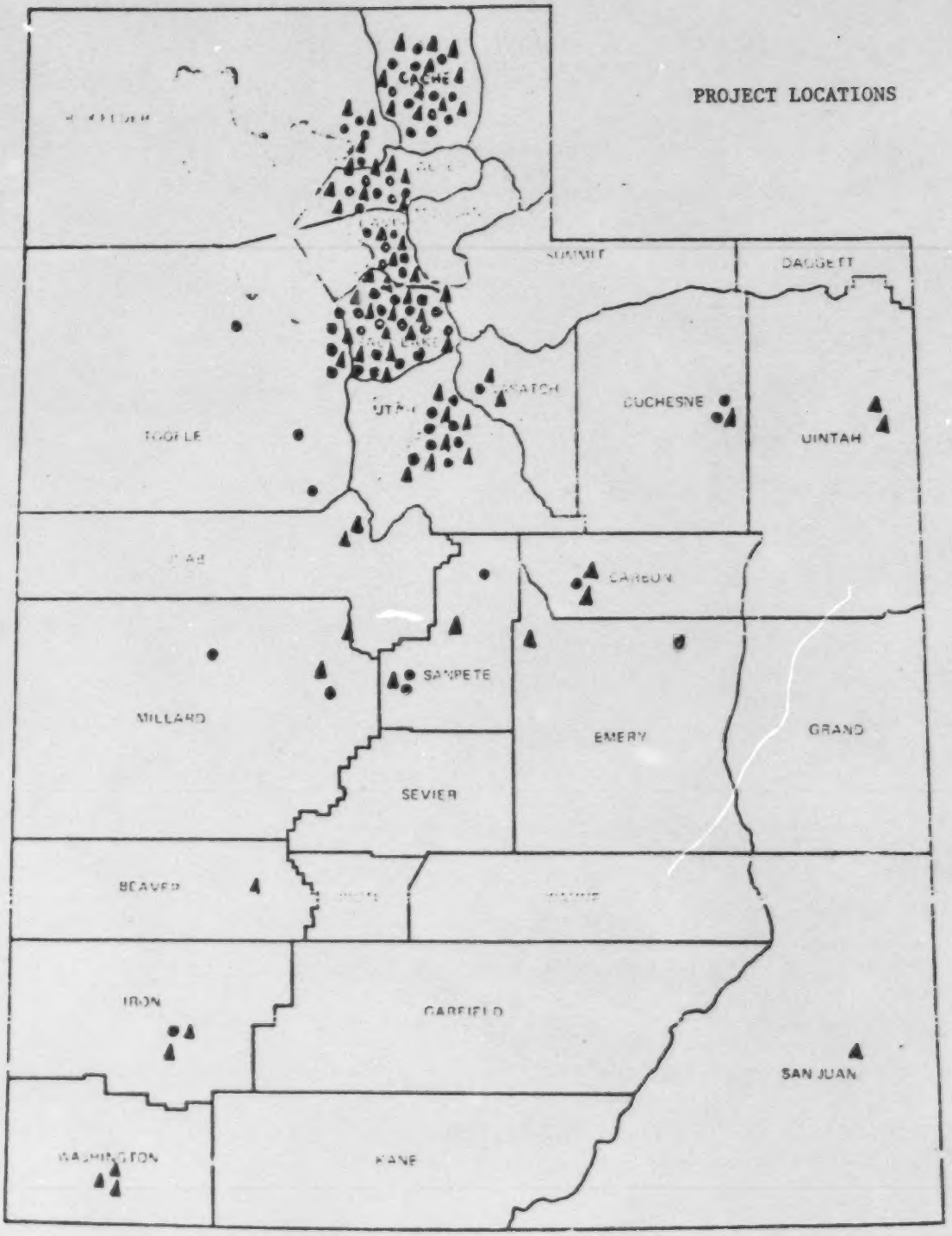
***MDS worked with 11 firms with over 5000 employees. While this number represents a relatively small percentage of the total firms worked with, the inclusion of the numbers of people employed by these organizations pushes the mean employment level to 449. The smaller figure of 209 is much more representative of the firms and organizations contacted and worked with by MDS. Penetration into the employed workforce totals 63,309 (average size of firm times total number of firms contacted) for all firms contacted or worked with at any level. For the 71 firms worked with, the level of penetration was 31,879. The first year's totals were 21,103 (47 firms), the second year's totals were 20,205 (45 firms), and the final year's totals 22,001 (49 firms). The 11 larger firms were added back into the total number of firms making the mean for this calculation 449.


PROJECT LOCATIONS
CACHE
SUMMIT
DAGGETT
TOOELE
UTAH
WASATCH
DUCHESNE
UINTAH
JUAB
CARBON
SANPETE
MILLARD
EMERY
GRAND
SEVIER
BEAVER
IRON
GARFIELD
SAN JUAN
WASHINGTON
KANE
LEGEND: ● Client firms
▲ Outreach contacts only

minor problems were perceived or identified by MDS or by employers; needed consulting services were available through a parent company or elsewhere; problems identified (e.g., financial, budgeting, marketing, product design, engineering) were considered outside the purview of MDS objectives; government-sponsored programs were distrusted or univeristy-related programs were viewed as impractical, lacking a grasp of the realities of the business world.

Of the 71 firms worked with at the diagnostic level, 32 carried involvement over to an implementation activity; a carry-over of 45 percent. Organizations disengaging after the diagnostic phase commonly did so: because they and MDS felt that internal organizational resources could be applied to remedy the problems and concerns identified through diagnosis; because other existing resources could be applied to the remediation effort; because the proposed implementation activity would exhaust MDS resources, allowing little time for other clients and objectives; and because some employers merely wanted the face validity of a written diagnostic report or because they had objectives or expectations that were satisfied at the diagnostic level of involvement.

Involvement with the 32 firms at the implementation stage ranged from less than one month to more than two years, with the mean close to six months. Of these 32 firms, 24 requested a continuing involvement with MDS to insure that mutually planned change occurred, or they

desired periodic recontact to investigate and help remedy a particular or critical concern which had been or might be identified.

3.4.1 Receptivity

Receptivity has been defined earlier in this chapter as the acceptance of some form of involvement beyond the outreach stage by a potential client firm or organization. MDS was interested in identifying those organizational characteristics that appeared to be determinants and predictors of receptivity. The perceived need and perceptions of organizational problems, the age of the organization, the size of its workforce, the ownership of the organization, the affiliation of the organization with a parent organization, the organizational position of the initial contact, the source of the contact, and the use of outside consulting services were the indicators identified by MDS as having some potential impact on the receptivity of employers to advisory and consulting services. The impact of these indicators on receptivity underlies the project findings discussed in this section.

3.4.1.1 Perceived Need and Perceptions of Organizational Problems. The problems identified by employers in the 141 organizations MDS contacted or worked with are reflected in summary form in Table 1. In 75 of the 141 organizations contacted, turnover was regarded as a somewhat serious to very serious concern; in 34, absenteeism was identified

TABLE 1

FREQUENCY AND RELATIVE SERIOUSNESS* OF PROBLEMS MENTIONED BY 141 EMPLOYERS CONTACTED BY MDS

Problem	Frequency of Mention	Percentage (N=141)	Seriousness
Turnover	75	53	2.9
Absenteeism	34	24	2.9
Hiring, Recruitment, Selection	29	21	2.5
Training, Orientation	29	12	2.5
Productivity	23	16	2.6
Nonhuman resource problems	21	15	2.4
Labor Shortage	15	11	2.9
Motivation, Dedication	15	11	2.8
Supervision	15	11	2.5
Worker Attitude	14	10	2.9
Wages, Salary	14	10	2.9
Communications	12	9	2.5
Management Sensitivity	11	8	3.2

*Relative seriousness was calculated along the following four point scale: 1-not serious, 2-somewhat serious, 3-serious, 4-very serious.

as a major area of concern; in 29, hiring, recruitment, selection, training, and orientation were listed; and 23 employers listed productivity as a serious problem area. Motivation, dedication, supervision, worker attitude, wages and salary considerations, communications, and management sensitivity were mentioned less frequently. However, in terms of degree of seriousness, those problems mentioned less frequently were generally judged to be of greater seriousness than those mentioned more frequently. For instance, management sensitivity attracted only eleven responses, but in those organizations where it was perceived as a problem, it was rated a very serious one. Of the 13 employers mentioning management sensitivity as a problem, 9 rated it as very serious. The problems mentioned by employers have been categorized by nature of problem, Technical, Human Relations, and Criterion Related and are listed in Table 2.

It is probably very natural that most employers viewed their employees as the source of most of their concerns and did not identify themselves as part of any serious problem in their organization. Thus, communications, cooperation and coordination, fear of boss, manager sensitivity, morale, motivation and dedication, quality of work life, and supervision, all areas requiring direct superior/subordinate relationships and involvement, were typically downgraded. MDS, on the other hand, during the course of its diagnostic and analytic work with these firms found

TABLE 2

FREQUENCY AND RELATIVE SERIOUSNESS OF PROBLEMS MENTIONED BY 141 EMPLOYERS CONTACTED BY MDS CATEGORIZED BY NATURE OF PROBLEM

Nature of Problem	Frequency of Mention	Seriousness
Technical		
Hiring, Recruitment, Selection	29	2.5
Training, Orientation	29	2.5
Nonhuman Resource Problems	21	2.4
Wages and Salaries	13	2.5
Total	92	9.9
$\bar{X}$	23	2.48
Human Relations		
Motivation, Dedication	15	2.8
Supervision	15	2.5
Attitude	14	2.9
Communications	12	2.8
Manager Sensitivity	11	3.2
Total	67	14.2
$\bar{X}$	13.4	2.84
Criterion Related		
Turnover	75	2.9
Absenteeism	34	2.9
Productivity	23	2.9
Labor Shortage	15	2.9
Total	147	11.3
$\bar{X}$	36.75	2.83

many of these areas of great concern to employees and often identified them as the causes of serious problems. As a result, MDS was faced with an extremely difficult task, one requiring a high degree if interactive and diplomatic skill, sensitizing the employer to the notion that he was very often part of the problems in his firm as well as the chief and critical element in their resolution. This interaction with employers for the purpose of designing strategies of change and commitment to its implementation became the critical change variable in work conducted with firms at the diagnostic and implementation levels.

It seems clear from the MDS research data that there is a strong positive correlation among perceived problem existence, problem seriousness, and receptivity to MDS services. The more sensitive an employer is to problems in his organization, the more receptive he is to MDS overtures; the more serious he rates his organizational problems, the more receptive to MDS services he tends to be.

Interestingly, many of the technical problems identified by employers had a higher frequency of mention than those problems identified as human relations in nature--an average of 23 responses to 13.4. However, in perceived seriousness, the human relations problems were seen as significantly more serious than their technical counterparts. In fact, human relations problems were viewed as the most serious of the three categories of problems identified.

Those problems identified as criterion-related were far and away the most frequently mentioned (an average fo 36.75 responses) and were second only to the human relations problems in seriousness (2.83 to 2.84). The criterion problems can be viewed essentially as the effects or results of undesirable conditions or problems in an organization; the technical and human relations categories as the causal conditions of variables. It was expected, then, that the criterion-related problems would be rated high in frequency and in seriousness. What was unexpected was the high seriousness rating attached to the human relations problems, given their relatively low rating in the frequency of problem mention.

If these ratings are accurate and reflect actual organizational conditions (and we believe that such is the case), an employer would be well advised to treat human relations issues in attempting to influence criterion conditions. Technical issues may be more numerous, as evidenced by the frequency of their mention, but their relatively low rate of seriousness seems to argue for concern and resources being directed to the more serious, but less numerous, human relations problems.

Other problems with a mentioned frequency of less than 10 included labor pool characteristics, morale, cooperation, union relations, rapid growth, maintenance, wasting time, fear of boss, and quality of work.

Table 3 identifies the relative seriousness of problems mentioned by the 141 employers in contact with MDS for one reason or another. Employers listed up to six problems affecting their organizations and rated the seriousness of the problem on a four point scale (1-not serious through 4-very serious). The perceived number and degree of organizational problems was significantly higher among those firms accepting MDS involvement. The firms in contact with MDS but with which no substantive work was conducted consistently rated problems in the "not serious" response category. The firms that MDS worked with in some substantive capacity rated their problems in the "serious" or "very serious" categories. Furthermore, the more problems mentioned by the MDS client firm, the higher the rated seriousness. The firms contacted at the outreach level only tended to diminish the rated problems seriousness as additional problems were mentioned.

It appears evident that an employer who is more sensitive to the nature and degree of his organizational problems is also more receptive to MDS services.

3.4.1.2 Age of Firms. Firms in all age categories, with one notable exception, appeared receptive to MDS services when receptivity was correlated with the age of the firm (above 68 percent in receptivity). The one exception

TABLE 3

HUMAN RESOURCE PROBLEM SERIOUSNESS*

Problem	Outreach Only (70 cases)	Client Firms (71 cases)
Problem 1	x (2.10) 53	x (3.47) 70
Problem 2	x (1.76) 35	x (3.07) 65
Problem 3	x (1.51) 21	x (3.10) 50
Problem 4	x (1.17) 12	x (3.16) 30
Problem 5	x (1.10) 8	x (3.84) 17
Problem 6	x (1.06) 2	x (3.70) 7
	1----------2----------3----------4	

was the first category--firms less than three years old. It appears that firms in this classification have basic survival needs that are perceived to be more closely related to technical competencies and issues than to human resource and "people" oriented problems. Oftentimes, however, the firms in this age bracket have as much or more need for human resources consulting services as firms in the other age categories because technical issues and attempts to address them invariably impact on social systems. The problem arises in developing a sense of urgency and priority for human resource needs and planning among managers of firms at this early level of development.

TABLE 4

COMPARISON OF FIRMS WORKED WITH BY MDS (71) WITH FIRMS CONTACTED (141), CATEGORIZED BY AGE OF FIRM

Age	Total Number of Firms Contacted	Number of Firms Worked With	Frequency (percent)
0-2 years	12	4	33.3
3-5 years	22	15	68.1
6-10 years	17	12	70.6
11-20 years	10	8	80.0
21-30 years	8	6	75.0
31-40 years	8	8	100.0
41-50 years	3	3	100.0
51 and above	8	6	75.0
No response	53	9	17.0
Total	141	71	

3.4.1.3 Size of Workforce. Table 5 reflects the relationship between organization size and receptivity. Most firms in all size categories appeared receptive to MDS services. Exceptions to this general trend were firms with less than 25 employees and those with from 300 to 1000 workers. Firms with less than 25 employees who rejected MDS assistance generally expressed a knowledge of organizational and human resource problem areas and an ability to deal with them without outside resources. Firms employing between 300 to 1000 workers were at the upper range of firms contacted

by MDS and likely to have organizational resources which could be brought to bear on human resource problems and issues. While MDS worked with a number of firms in the 1000+ category, most work was initiated at the firm's request, usually to address a given problem already identified. Fewer outreach efforts were initiated toward firms in the 500 to 1000+ employees categories, especially emphasizing diagnostic activities.

The most effective receptivity range, given the general nature of the target population identified by MDS, appeared to be firms employing from 25 to 300 workers.

3.4.1.4 Ownership. As shown in Table 6, firms contacted and worked with by MDS staff members fall predominantly into four categories when classified by ownership of the enterprise.

Government employers and those managing privately held corporations appeared very receptive to MDS services (70.8 percent and 61.2 percent rate of receptivity respectively).

Publicly held corporations generally had diagnostic and advisory services available internally at the corporate level. The low rate of receptivity is perhaps predictable for firms in this category. They were, however, receptive to specific offers of training and other remediation activities. Their reticence applied primarily to diagnostic and analytic activities.

Single ownership enterprises included very small firms (under 25 employees), a classification of employers

relatively unreceptive to MDS due to their size and perceived needs. Excluding those firms employing less than 25 workers, the receptivity rate of the single owner approximates that of government and privately held corporations, in the neighborhood of 50 percent.

TABLE 5

COMPARISON OF FIRMS WORKED WITH BY MDS (71) WITH FIRMS CONTACTED (141), CATEGORIZED BY SIZE OF WORKFORCE

Number of Employees	Number of Firms Contacted	Number of Firms Worked With	Frequency (percent)
0-25	26	11	42.3
26-50	19	10	52.6
51-100	29	17	58.6
101-200	30	15	50.0
201-300	9	6	66.7
301-500	11	4	36.4
501-1000	1	0	0.0
1001-5000	9	7	77.8
More than 5000	1	1	100.0
No response	6	0	0.0
Total	141	71	

TABLE 6

COMPARISON OF FIRMS WORKED WITH BY MDS (71) WITH FIRMS CONTACTED (141), CATEGORIZED BY OWNERSHIP OF THE ENTERPRISE

Ownership	Number of Firms Contacted	Number of Firms Worked With	Frequency (percent)
Government	24	17	70.8
Publicly held corporations	29	6	20.7
Privately held corporations	49	30	61.2
Partnership	4	3	75.0
Single Owner	24	10	41.7
Other	5	4	80.0
No response	6	1	16.7
Total	141	71	

3.4.1.5 Family Ownership or Controlling Interest. Table 7 expresses the relationship that existed between family ownership of firms and receptivity to MDS assistance.

Family owned firms appeared significantly receptive to MDS services. Of the 141 firms contacted by MDS, 50 were owned or controlled by a family interest (MDS worked with 36 of them for a receptivity rate of 61 percent); 75 firms had no family ownership or controlling interest. Of the 75 firms, MDS worked with 35--a receptivity rate of 46.7 percent. Family owned or controlled firms were probably more receptive because of the number and nature of their organizational problems (typically transitional problems from a "captive" to a corporate status): the lack of personnel and training resources; an increase in organization size, markets, demand for product or service, or similar organization expanding (or diminishing) conditions; and the quality of commitment of leadership and management in the second and third generations of the founding family.

A significant finding of MDS is the ubiquity of serious human resource problems among family owned or controlled firms. This need and concern often expressed itself in active receptivity to the kind and quality of services provided by MDS.

3.4.1.6 Affiliation With a Parent Organization. Employers who had an affiliation with a parent organization were significantly less receptive than were firms with no such affiliations. Of the 141 firms contacted by MDS, 53 had

TABLE 7

COMPARISON OF FIRMS WORKED WITH BY MDS (71) WITH FIRMS CONTACTED (141), CATEGORIZED BY FAMILY OWNERSHIP OR CONTROLLING INTEREST

Family Ownership	Number of Firms Contacted	Number of Firms Worked With	Frequency (percent)
Yes	59	36	61.0
No	75	35	46.7
No response	7	0	0.0
Total	141	71	

no affiliation with a parent organization. MDS subsequently worked with 33 of the 53, a receptivity rate of 62.3 percent. Of the 77 firms contacted with an active affiliation with a parent organization, MDS worked with 37, a receptivity rate of 48.1 percent. This development was predictable. Parent organizations provide internal advisory and consulting services to their affiliates, and oftentimes actively discourage the use of outside resources in a diagnostic or advisory capacity. Specific services, however, such as training, wage and salary surveys, the development of personnel policies and procedures, and the like, were oftentimes well-received, even requested by firms in this category. It was the diagnostic, analytic service that was less often and less well-received by this category of employee.

TABLE 8

COMPARISON OF FIRMS WORKED WITH BY MDS (71) WITH FIRMS CONTACTED (141), CATEGORIZED BY AFFILIATION WITH A PARENT ORGANIZATION

Parent Organization	Number of Firms Contacted	Number of Firms Worked With	Frequency (percent)
Yes	77	37	48.1
No	53	33	62.3
No response	11	1	9.1
Total	141	71	

3.4.1.7 Organizational Position of Initial Contact. The MDS data appear to support the notion that the higher in the organizational hierarchy the initial contact is made, the more receptive the organization is to MDS involvement. While not conclusive, the data showed the highest rate of receptivity in organizations where the owner and general manager (oftentimes, but not always the same man) was the initial contact (65.4 percent). The lowest rate of receptivity (42.3 percent) appeared in organizations where a staff member was the initial contact. A general manager as an initial contact had a higher rate of receptivity (49.1 percent) than an initial contact with a middle manager (46.1 percent). The correlation between initial point of contact in an organization and rate of receptivity appeared directly related to the hierarchical position of the contact

in the firm. The higher the initial contact, the greater the receptivity.

TABLE 9

COMPARISON OF FIRMS WORKED WITH BY MDS (71) WITH FIRMS CONTACTED (141), CATEGORIZED BY ORGANIZATIONAL POSITION OF INITIAL CONTACT

Position	Number of Firms Contacted	Number of Firms Worked With	Frequency (percent)
Middle Manager	13	6	46.1
Staff	42	18	42.3
General Manager	57	28	49.1
Owner and General Manager	26	17	65.4
Other	2	1	50.0
Total	141	71	

3.4.1.8 Source of Contact. It appears superfluous to suggest that firms which requested MDS services demonstrated a high rate of receptivity. Such, as expected, was the case (76.9 percent).* More interestingly, there was perhaps

*Twenty-three percent of the firms approaching MDS for assistance had problems not addressed by MDS and were referred to other agencies for assistance. The number of firms in this category, three, is quite small compared to the total number of firms worked with by MDS.

less of a difference in receptivity between a third party initiated referral of a potential client to MDS (50.0 percent) and a MDS initiated contact (42.0 percent) than one would expect. This situation was explained, perhaps, by the type of referrals given MDS: oftentimes they were spontaneous, off the top of someone's head, and no prior attempt to contact and influence the referral in MDS's behalf had been made. The net effect was similar to a MDS initiated contact using a sponsor's name to gain entry. On the other side of the ledger, MDS became increasingly more effective in its initial outreach attempts to potential clients.** The result of these two developments appeared to be a convergence of the rate of receptivity between these two sources of potential contact.

3.4.1.9 Use of Outside Consulting Services. The previous use of consulting services by an employer correlated highly with receptivity. Of the 141 firms contacted by MDS, 48 said they had received prior outside consulting services. MDS subsequently worked with 33 of these 48 firms, a receptivity rate of 68.7 percent. Of the 60 firms indicating no previous experience using consulting services, 29 accepted MDS services, a receptivity rate of 48.3 percent.

**Rates of acceptance rose steadily in the three years of MDS service operations: cumulatively, MDS contacted 47 firms and worked with 18 (35 percent) through the first year's activities, contacted 92 and worked with 37 (40 percent) through the second year, and contacted 141 and worked with 71 through the third year's operations (50.1 percent).

TABLE 10

COMPARISON OF FIRMS WORKED WITH BY MDS (71) WITH FIRMS CONTACTED (141), CATEGORIZED BY SOURCE OF CONTACT

Source of Contact	Number of Firms Contacted	Number of Firms Worked With	Frequency (percent)
MDS	70	30	42.9
Firm	13	10	76.9
Referral	50	25	50.0
No response	8	6	75.0
Total	141	71	

MDS not only engaged in an education process to convert skeptical contacts in its own behalf, it also made its clients more receptive to other regional consulting and advisory services. Employment security, CETA manpower programs, university management and development programs, vocational programs, and private consulting efforts were among the beneficiaries of the educational spadework performed by MDS.

Firms contacted by MDS at the outreach level, but with whom no subsequent work was performed, tended heavily to have no previous experience with outside consulting services. Of the 46 firms contacted at the outreach level only, 31 (67.4 percent) had not previously used external consulting resources. These typically were the very small, single owner employers with few perceived human resource problems.

TABLE 11

COMPARISON OF FIRMS WORKED WITH BY MDS (71) WITH FIRMS CONTACTED (141), CATEGORIZED BY PREVIOUS USE OF OUTSIDE CONSULTING SERVICES (e.g., PRIVATE CONSULTANTS, INDUSTRY ASSOCIATION GOVERNMENT AGENCIES, etc.)

Previous Use of Outside Consulting Services	Number of Firms Contacted	Number of Firms Worked With	Frequency (percent)
Yes	48	33	68.7
No	60	29	48.3
No response	33	9	27.2
Total	141	71	

TABLE 12

PREVIOUS USE OF CONSULTING SERVICES (e.g., PRIVATE CONSULTING, INDUSTRY ASSOCIATIONS, GOVERNMENT AGENCIES, etc.) BY 46 FIRMS CONTACTED BY MDS AT THE OUTREACH LEVEL BUT WITH NO SUBSEQUENT INVOLVEMENT

Previous Use of Outside Consulting Services	Absolute Frequency	Frequency (percent)
Yes	15	32.6
No	31	67.4
Total	46	100.0

3.4.1.10 Summary Characteristics of the Receptive MDS Client.

MDS concluded from its research findings that the employer most likely to be receptive to advisory and consulting services has the following profile:

1. He perceives more, rather than fewer, organizational problems and tends to attach a higher rate of seriousness to them.
2. He perceives a higher incidence of human relations oriented problems in his organization and attaches a high rate of seriousness to them.
3. While little can be assumed about the age of his firm, it is probably not less than three years old.
4. His firm can be categorized by level of employment in a mid-range bracket, probably not less than 25 workers nor more than 500.
5. If his organization is a publicly held corporation with a parent affiliation, he is less likely to be attracted to MDS services.
6. His firm is likely to be family owned or controlled.
7. He (the manager) or the owner of the firm is likely to have been the initial source of contact from MDS.
8. He may have initiated contact with MDS himself, been referred to MDS by a third party, or had MDS initiate contact with him independently.
9. If he has received some prior external consulting service, he is more likely to be receptive to MDS services.
10. He probably has no formal training capability, and his on-the-job efforts are informal, unstructured, and largely ineffective.
11. He is willing to change and try new ideas.

3.4.1.11 Summary Conclusions - Receptivity.

- A strong demand for manpower management and consulting services exists among area employers.

- The demand for these services can be met by a small team of consultants operating from a university base.

- The problems most frequently encountered and mentioned by employers can be classified into three principal categories: (1) Criterion-related (turnover, absenteeism, productivity, labor shortage); (2) technical (hiring, recruitment, selection, training, orientation, wage and salary administration, and nonhuman resource problems); and (3) human relations (motivation, dedication, supervision, attitude, communications, manager sensitivity).

- While criterion-related problems are mentioned most frequently (followed by technical, and human relations problems), human relations problems are judged most serious (followed closely by criterion-related issues, with technical problems a distant third).

- There is a strong positive correlation among perceived problem existence, problem seriousness, and receptivity to MDS services. The more sensitive an employer is to problems in his organization, the more receptive he is to assistance; the more serious he rates his organizational problems, the more receptive he tends to be to MDS assistance.

- Employers are strongly receptive to the advisory, consulting, and technical services delivered by the MDS consulting unit: 71 of the 141 firms contacted at the outreach phase desired some further contact and appropriate form of involvement, a success ratio of better than 50 percent.

- With the exception of the very young (0-2 years), the very small (0-25 employees), and branch plants of parent organizations, firms of all sizes, age, and ownership categories are very receptive to MDS services. Family owned firms appear significantly receptive to MDS services.

- The previous use of consulting services by an employer correlates positively wiht receptivity.

- The higher in the organization hierarchy the initial contact is made, the more receptive the organization is to MDS involvement.

- Small and medium-sized employers are less likely to seek or utilize needed manpower advisory services unless extensive outreach efforts are employed to bring knowledge of the availability of services

to their attention, educate them as to their value and use, follow-up and maintain contact with them, and defray at least part of the costs of delivering the services.

3.4.2 Impact of Services

Impact of services has been previously defined as the effect of a remediation activity--training, team building, career and job mobility planning, organization development, job redesign--on attitude behavior, performance, and structural change in client organizations.

What short- and long-term effects, if any, were evident as attributable consequences of MDS intervention in the organizational affairs of a client? Following an MDS sponsored remediation activity, employers were queried regarding the impact of MDS services on such variables as productivity and the quality of working life of their employees. The number and kind of outreach attempts employed, mode of entry, reasons given for involvement, the perceived effect of MDS services on organizations, employer perceptions of services provided, employer perceptions of the effect of services on workers, perceptions of the effect of MDS services on productivity, and the desire for further contact were identified as indicators of effect or impact and are discussed in some detail in this section.

3.4.2.1 Outreach Attempts. Of the 141 firms contacted initially, 48 readily accepted some form of involvement; and 31 of the remaining 93 were sufficiently interested to be contacted a second time. Of those 31 firms, 21

accepted some form of involvement on the second outreach attempt and were sufficiently interested to be contacted again. Both of these firms desired some form of involvement ultimately. Table 13 graphically expresses the results of MDS outreach attempts among its target employer population.

TABLE 13

ACCEPTANCE RATE OF 71 FIRMS WORKED WITH AT THE DIAGNOSTIC OR IMPLEMENTATION LEVEL BY MDS OF 141 FIRMS CONTACTED

Outreach Attempts	Number of Firms Worked With	Number of Firms Contacted	Frequency (percent)
1st outreach attempt	48	141	34.0
2nd outreach attempt	21	31	67.7
3rd outreach attempt	2	2	100.0
Total	71	141	50.3

3.4.2.2 Mode of Entry. As shown in Table 14, the predominant modes of entry into the 71 firms worked with beyond the outreach levels were primarily either initial diagnostic involvement (54.9 percent) or workshop involvement (31.0 percent). While MDS generally stressed the diagnostic approach in its outreach efforts, occasionally the workshop approach was used as a means to develop interest and awareness among firms that would normally not respond to the

diagnostic services offered, usually the larger firms (above 300 employees), those having some parent affiliation, those with no previous external consulting experience, or the smaller firms (under 20 employees). Also, the workshop or group approach was viewed as a valid strategy to multiply the effect of MDS services beyond that permitted by a one-to-one approach. In this respect, the workshop was an effective and valuable outreach technique.

TABLE 14

MODE OF ENTRY INTO THE 71 FIRMS WORKED WITH AT THE DIAGNOSTIC AND IMPLEMENTATION LEVELS BY MDS

Mode of Entry	Number of Firms	Frequency N=71
Diagnostic involvement	39	54.9
Workshop involvement	22	31.0
Other implementation involvements	7	9.9
Diagnostic implementation	2	2.8
Other	1	1.4
Total	71	100.0

3.4.2.3 Reasons for Involvement. According to the 71 employers worked with at the diagnostic or implementation levels, they initiated contact with MDS or accepted MDS involvement for two predominant reasons: (1) MDS sold them on its services, professional competency or philosophical approach; and (2) they needed help, recognized that fact,

and were open to ideas, suggestions, and assistance from a consulting unit granted credibility and sanction. The various reasons given by employers for their involvement with MDS are presented in Table 15.

TABLE 15

REASONS GIVEN BY 71 FIRMS, WORKED WITH AT THE DIAGNOSTIC OR IMPLEMENTATION LEVEL, FOR THEIR INVOLVEMENT WITH MDS

Reasons Given for Involvement	Frequency of Mention
MDS sold me	16
Needed help	12
Referred by another source	9
Wanted particular problem addressed	7
Requested by superior	6
Discovered that services were available	5
Agreed with MDS philosophy	5
Found consultant's approach appealing	5
Can't remember	3
Previous MDS involvement	2
Wanted to know the status and condition of my firm	2
To give MDS experience	2
Free service	1
Other reasons	2

3.4.2.4 Perceived Effect of MDS Services on Organization. Over half of the employers responding to this question

(26 of 48, or 52.2 percent) felt that MDS had considerable effect or some effect on their operations. As the focus of the MDS approach was on the employer, and as he was felt to be the key to any significant organizational change, he was the source of the MDS evaluation effort; and it was his assessment of value and effectiveness of the services rendered that was sought. The 23 nonresponding employers while a relatively high number, are perhaps explained by the difficulty in assessing the effect of a purely diagnostic or analytic service, especially when the employer himself was viewed as the vehicle by which needed change would be accomplished.

TABLE 16

PERCEIVED EFFECT OF MDS ON 71 EMPLOYERS WORKED WITH AT THE DIAGNOSTIC OR IMPLEMENTATION LEVEL OF INVOLVEMENT

Perceived Effect	Absolute Frequency	Relative Frequency (percent)	Adjusted Frequency (percent)*
Considerable effect	20	28.2	41.7
Some effect	6	8.5	12.5
Little or no demonstrable effect	22	31.0	45.8
No response	23	32.4	missing
Total	71	100.0	100.0

*Adjusted frequency indicates the rate of response as a percentage figure minus all missing responses. In this example, when the 23 nonresponses are subtracted from the total number of responses (71), the rate of frequency increases dramatically from 28.2 percent to 41.7 percent in the response "considerable effect," for example.

3.4.2.5 Employer Perceptions of Services Provided. The services provided by MDS, as perceived and reported by employers, ran the gamut from the technical (improving efficiency) to the attitudinal (human relations training). By far the most frequent service mentioned by employers was diagnosis and problem analysis. This was the approach favored and stressed by MDS in its outreach attempts. Employers seemed to recognize the need and utility of diagnostic and advisory services. While this was probably more true of small and medium-sized employers than for the larger organizations contacted, this finding was significant and generally valid among all kinds and sizes of organizations. The total range of employer responses to the question of effective services provided by MDS is found in Table 17.

TABLE 17

SERVICES PROVIDED BY MDS TO 71 FIRMS AS MEASURED BY FREQUENCY OF MENTION

Service	Frequency of Mention
Diagnosis and problem analysis	28
Human relations training	11
Improved communications	8
Improved problem solving	7
Catalyst	5
Developed training materials	4
Improved quality of work for employers	4
Developed evaluation system	4
Improved hiring procedures	2
Improved reward structures	2
Encouraged the exchange of ideas	2
Improved efficiency	1
Improved motivation	1
Other	3

3.4.2.6 Employer Perceptions of Effect of Services on Workers. A significant 58.0 percent of the employers (29 of 50) responding to the question of perceived effect of MDS services on workers (presented in Table 18) felt that there was some considerable impact or effect on their workers that could be directly attributed to the involvement of MDS in their organization. As has been mentioned previously

in this chapter, MDS made a conscious attempt in outreach, remediation, and evaluation activities to involve employers in the development and implementation of change strategies. In order to react sensitively to work-oriented issues, employers must have the opportunity to encounter the need and demand for change, and to discover the total organizational costs of unproductive and dissatisfied workers. These objectives were accomplished by involving the employer in diagnostic and analytic activities and in helping him probe the possible consequences of alternative change strategies. The result was a substantial awareness of worker-related needs, and in many instances a commitment to effect substantive changes. These results are reflected in Table 18.

TABLE 18

EFFECT OF SERVICES PROVIDED BY MDS ON WORKERS IN THE 71 FIRMS WORKED WITH AT THE DIAGNOSTIC OR IMPLEMENTATION LEVEL

Effect of Services	Absolute Frequency	Relative Frequency (percent)	Adjusted Frequency (percent)
Yes	29	40.8	58.0
No	15	21.1	30.0
Do not know	6	8.5	12.0
No response	21	29.6	missing
Total	71	100.0	100.0

The measurable effect of MDS services on workers, as calculated by their employers, is given in Table 19. Increased

work satisfaction was the most frequent response (21 responses) but an additional significant number of responses also related directly to the quality of work life experienced by the hourly worker (confidence and competence, income benefits, new positions, more and better teamwork, opportunity for growth and advancement). It seemed apparent that by working through the employer, MDS had considerable effect on the quality of working life and other concerns of the hourly worker--at least as perceived by the employer who again was the focal point of the MDS approach, and the one through whom change was initiated and performed.

TABLE 19

RESULTS OF MDS SERVICES HAVING A MEASURABLE EFFECT ON WORKERS IN 29 OF THE 71 FIRMS WORKED WITH AT THE DIAGNOSTIC OR IMPLEMENTATION LEVEL

Result of Service	Frequency of Mention
Work satisfaction	21
Confidence and competence	12
Income benefits	5
New positions	3
Productivity	2
More and better teamwork	2
Skill	1
Opportunity	1
Other	6

In addition to the services judged as having a measurable effect on workers, mentioned above, MDS has strong evidence that its services had some probable effect on increasing the employment levels among client firms. The average number of employees among client organizations prior to involvement was 449. Following involvement with MDS, employment averaged 482--an average increase of 33 new workers per firm. This 7 percent increase in employment can be contrasted with the 3.6 percent average increase in employment levels among manufacturing firms in the period 1972 through 1975 (MDS conducted over 60 percent of its operational activities in manufacturing firms, 43 of 71 firms worked with) and the 3.3 percent increase in average employment among all nonagricultural industries in Utah in the same period. The total increase in employment for the 71 firms worked with beyond the outreach level was 2343. While these numbers indicate a probable effect, they cannot be considered as conclusive. They do not account for indiscriminant forces in the economy that might have served to push employment levels up regardless of the effect of MDS services. However, the general tendency clearly correlated the provision of MDS services with increases in employment levels.

The quality or direction of the effect of MDS services on workers, as perceived by the employers of the 71 firms worked with at the diagnostic or implementation level, was viewed as direct by 15.6 percent of those responding to this question, direct and indirect by 37.5 percent, and as

indirect by 40.6 percent. These responses seem to substantiate the MDS hypothesis that worker-related benefits are the indirect (and in some cases direct) result of employer-oriented consulting services. Employer information relating to the quality or directness of services is found in Table 20.

TABLE 20

QUALITY OF THE EFFECT OF MDS SERVICES ON WORKERS IN THE 71 FIRMS WORKED WITH AT THE DIAGNOSTIC OR IMPLEMENTATION LEVEL

Quality of Effect	Absolute Frequency	Relative Frequency (percent)	Adjusted Frequency (percent)
Direct	5	7.0	15.6
Indirect	13	18.3	40.6
Direct and Indirect	12	16.9	37.5
Do not know	2	2.8	6.3
Does not apply	18	29.4	missing
No response	21	29.6	missing
Total	71	100.0	100.0

3.4.2.7 Perceptions of the Effect of MDS Services on Productivity. The effect of MDS services on the productivity of employers worked with beyond the outreach level was calculated as positive by 34.7 percent of the employers responding to this question (17 of 49). Many employers had difficulty assessing any measure of productivity in their organizations due to their lack of technical sophistication, lack of

records, and similar conditions. Diagnostic and advisory services, while viewed as valuable, were deemed difficult to analyze in productivity terms, and this, perhaps accounts for the fairly large number of nonrespondents (22). The 17 employers responding positively to the question relating MDS services with productivity indicated a direct and indirect impact in about equal proportions.

TABLE 21

EFFECT OF MDS SERVICES ON THE PRODUCTIVITY OF THE 71 FIRMS WORKED WITH AT THE DIAGNOSTIC OR IMPLEMENTATION LEVEL

Effect on Productivity	Absolute Frequency	Relative Frequency (percent)	Adjusted Frequency (percent)
Yes	17	23.9	34.7
No	21	29.6	42.9
Do not know	11	15.5	22.4
No response	22	31.0	missing

3.4.2.8 Desire for Further Contact with MDS. Table 22 presents the responses of employers to the question of a desire for further MDS contact. An overwhelming 81.4 percent of the employers responding to this question (35 of 43) desired further contact with MDS following some substantive involvement at the diagnostic or implementation level. Their reaction was uniformly positive and supportive of the quality and quantity of the services rendered by MDS. The 28 nonrespondents were difficult to analyze. Most likely,

they were neither wildly enthusiastic nor wildly unenthusiastic toward MDS but tended toward some middle or passive acceptance.

TABLE 22

EMPLOYERS DESIRING FURTHER CONTACT OF 71 FIRMS WORKED WITH AT THE DIAGNOSTIC OR IMPLEMENTATION LEVEL BY MDS

Further Contact Desired	Absolute Frequency	Relative Frequency (percent)	Adjusted Frequency (percent)
Yes	35	49.3	81.4
No	7	9.9	16.3
Do not know	1	1.4	2.3
No response	28	39.4	missing
Total	71	100.0	100.0

3.4.2.9 Selected Cases of Demonstrable MDS Impact. In an attempt to give better understanding of tangible results experienced by successful client organizations at diagnostic and remediation levels of involvement, MDS has excerpted a limited sample of case studies listed below. Obviously, not all client firms experienced the same demonstrable results following MDS intervention, but these cases represent a fairly broad and general condition resulting from involvement with MDS consultants, a condition not considered extraordinary or unique. Additional and more comprehensive case study materials are enclosed as Appendix F.

A needlecraft employer engaged in diagnostic and remediation activities with MDS over the course of two years time experienced a 45 percent increase in

productivity and a net increase of 85 new positions. The employer attributed the increase directly to his involvement with MDS, and felt the intangible effects on morale and worker satisfaction exceeded the tangible increase in productivity.

A lumber manufacturer experienced a 200 percent decrease in turnover following his diagnostic involvement with MDS.

A retail merchant acquired two new stores and increased his employment by 21 new hires following a year-long involvement at the diagnostic and implementation levels with MDS.

A small manufacturer of women and infant apparel experienced a 19 percent increase in productivity following an initial diagnostic intervention by MDS and a subsequent workshop for supervisors and lead hands.

A new manufacturing plant in a rural region was "turned around" according to its general manager and president by the direct intervention of MDS resources. Serious thought had been given to shutting the facility down because of low productivity and high turnover rates. Following the four-month MDS involvement, the plant experienced a 30 percent increase in productivity and a decrease of 200 percent in turnover. By this timely intervention, 110 jobs were "saved" (focus was on training, reward systems, and role assignments).

These tangible and direct results of MDS intervention do not represent the intangible benefits accruing to the organization as a result of an employer changing his attitudes, his pattern of relationships, and his commitment to needed change, all objectives of an MDS intervention and seen as signficant by employees at all organizational levels.

3.4.2.10 Summary Conclusions - Impact of Services.

- The delivery of manpower management advisory and consulting services to employers has a substantial and positive impact on the client organization and the quality of working life experienced by its employees.

- Over half of the employers responding to a follow-up survey questionnaire subsequent to some form of involvement with MDS felt that MDS had considerable

or some effect on their organization. The effects noted fell predominantly into categories of increased productivity or quality of working life considerations.

- Of the employers responding to a follow-up survey questionnaire, 58 percent felt that there was some considerable impact or effect on their workers that could be directly attributed to the involvement of MDS in their organization. Most frequently mentioned were increased work satisfaction, income benefits, new positions, confidence and competence, and the quality of working life experienced by hourly workers.

- While many employers had difficulty assessing any measure of productivity in their organizations due to the lack of technical sophistication or availability of data, the effect of MDS services on productivity was calculated as positive by 35 percent of the employers responding to this question.

- While the majority of firms contacted and worked with employed on-the-job training (68 percent), only a very small minority (17 percent) had any other training strategy or approach to upgrade skills at the hourly, supervisory, or management levels.

- Employment levels in firms and organizations worked with by MDS were stabilized or increased in the face of rising levels of unemployment in the state and nation. An average of 33.16 new workers were employed by the 71 MDS client firms when preinvolvement figures were compared with employment following MDS intervention.

- An overwhelming 81 percent of the employers worked with were desirous of further contact with MDS following substantive involvement at the diagnostic or implementation level, further, and perhaps conclusive evidence of the positive impact of services on employers and their workers.

3.5 Summary of Quantitative Findings and Areas Needing Further Investigation

Although the research on which the project findings introduced and discussed in the preceding sections is based falls short of what is required for incontrovertible conclusions, it appears evident that (1) there is a significant

need and demand for manpower management services among public and private employers of varying configurations and organizational characteristics; and (2) a small, university-based team of human resource analysts and consultants can effect positive organizational change, especially in the areas of productivity and the quality of working life. This general conclusion supports the findings of independent investigators currently conducting research in the field of productivity, organization change, job satisfaction, motivation, and the quality of working life (Katzell and Yankelovich 1975; Whiting 1975; Davis and Cherns 1975; Taylor 1973, 1974; Charlesworth 1973; Booth 1975).

The MDS research team found that the dependent variables of receptivity and impact of services were explained and predicted by the range of independent variables in the following fashion:

1. Perceived need and perceptions of organizational problems - The more problems indicated by our organizational contacts, the more those concerns tended toward human resource kinds of problems. The more serious the perceived nature of the problems and the more responsibility assumed by management for the existence and persistence of those problems, the more receptive the organization would be toward MDS involvement and assistance in treating intolerable conditions.

2. Nature of Business - The more labor intensive organization, the more receptive to MDS involvement and assistance it would be.

3. Ownership - The more closed the ownership of the organization--especially if it were family owned and controlled, but also if it were a partnership or privately held corporation--the more receptive it would be to MDS involvement and assistance.

4. Organizational Life Cycle - The more unstable or unpredictable the organization in terms of size,

profits, products, markets and similar conditions (indicating a shift in the life cycle of the organization), the more receptive it would be to MDS assistance and involvement.

5. Size - The more an organization tended toward the middle or lower-middle ranges of employment, approximately 25 to 500 employees, the more receptive to MDS services it would be.

6. Organization Sophistication, Specialization - The greater the affiliation with a service-providing parent company (especially a parent company that is national in scope with its headquarters located outside of the state and region) and the more functionally differentiated an organization, the less likely it would be highly receptive to MDS services. However, if outreach attempts were successful with an organization that was functionally differentiated (especially if there was a separate personnel or training department), the more likely the long-range impact MDS might have on that organization.

7. Management Commitment - The higher in the organization the introductory contact, the more receptive the organization would be to MDS involvement.

8. Management Involvement - The more involved the management of an organization was in the collection of diagnostic data, the development of remediation strategies, and the implementation of appropriate measures, the more likely the long-term impact of the services rendered.

9. Duration of Involvement, Timing, and Follow-up - The longer the involvement with an organization, and the more regular the follow-up visits, the more likely the impact of services rendered on a long-term basis.

10. Type of Services Rendered - The greater the amount of services rendered, the more technical the services rendered, and the more oriented toward implementing the services, the greater the likelihood of long-term impact in the organization.

In addition, receptivity and impact are substantially affected by the following moderating or intervening variables:

1. The state of the economy, locally and nationally;

2. The personality and approach employed by the MDS consultant with any given organization;

3. The attitude of the client or potential client toward government involvement in business affairs, university involvement in the practical arena of the business community, and the intrusion of outsiders into the private affairs of the business organization;

4. The timing of the contact or visit with the employer to avoid seasons, weeks, days, or hours that are critical and indispensable to the employer and that command his complete attention on a cyclical basis;

5. The geographic location of the firm, and the urban-rural characteristics of the local business communities and labor markets.

Several other significant results not treated in the preceding sections are suggested for consideration and additional research:

- The untimely reduction in the final year's budget prohibited MDS from conducting the elaborate statistical analysis of project findings and results that it had originally intended. The comprehensive evaluation of productivity and quality of working life interventions is a task yet to be treated by researchers in the field.
- Most firms lack the sophistication and technical knowledge required to assess and account for variations in productivity. The development of a simplified manual to assist employers in measuring productivity would be most helpful, especially if advisory assistance were available to help them understand the use of and encourage the adoption of such procedures.
- Family-owned firms are susceptible to a wide range of problems and conditions giving rise to instability

and widely varying patterns of organizational performance. The family-owned firm would seem an attractive focus for research and demonstration activities.

- Although most firms claim on-the-job training (OJT) capability, in reality most use the term as a euphemism for no training. How to develop and implement an OJT training program towards specific objectives (performance, productivity, quality of working life) appears to be a much needed service for an overwhelmingly large number of small and medium-sized firms throughout the country, especially in light of the predominance of OJT and the virtual absence of any other training strategy.
- In the energy-rich west, manpower management issues will be an increasingly critical factor in the successful development of new organizations and processes in extracting, processing, and delivering energy related resources and materials.
- Rural employers have critical needs in training and developing their employees, needs as great and sometimes greater than urban employers. Yet the delivery of services to these employers is more difficult and expensive. Consequently, new and innovative ways are needed to service the manpower and training needs of rural employers.
- The employer provides an attractive alternative to institutional learning for his employees, and on-site

learning and educational programs focusing on work skills and life skills could and should be developed with the coordinative and integrative assistance of a unit such as MDS.

4. PROJECT FINDINGS AND EVALUATION RESULTS: QUALITATIVE

4.1 Introduction

This chapter is a continuation of Chapter 3. In addition to the questions about the kinds of problems faced by employers, their receptivity to Manpower Development Service (MDS) as a delivery system, and the impact of MDS services on their organizations and workers which lent themselves in some measure to quantification and statistical analysis, the project also posed a variety of related questions less amenable to such treatment. The answers to many of the additional questions raised in the course of the project were not easily quantifiable, and, hence, necessarily depend on qualitative analysis for explication. The following sections set out the findings relative to questions considered sufficiently important to merit inclusion in the report and about which, it was felt, some meaningful comments could be made.

4.2 Ability of MDS to Service Manpower Needs From a University Base

Utah State University (USU) served MDS well as a base from which to service the manpower management and training needs of employers and the employed workforce. The university imposed few bureaucratic constraints on MDS as an operational unit and allowed considerable flexibility in the organization

and delivery of services. Also, the university has excellent research facilities, and its name and reputation lent credibility to a loosely linked programs such as MDS. In the initial outreach activities undertaken by MDS there was some reservation about the federal government sponsorship of the program. This tended to color the attitude of potential clients--even though they generally had a neutral or favorable image about the university. However, these concerns were overcome as MDS gained exposure in an industrial and business community. Employers recognized the value of the services being provided and saw that MDS did not have an inspectoral or regulatory function. The perceived relationship to "government" diminished and that to the "university" came to the fore.

This development of a favorable image toward MDS and a positive attitude toward the services provided was helped considerably by the fact that Utah State University is the state's land-grant university. MDS and its services were favorably compared with existing extension activities and services provided to rural and agricultural interests throughout the state. Employers liked the idea of receiving similar assistance and saw the role of MDS as both legitimate and appropriate for the university to perform.

The positive image achieved by MDS by operating out of a university base was particularly helpful in that it provided MDS staff with a neutral image when working with employers. This was especially important when dealing with

the sensitive personnel and manpower management problems in organizations.

The university also provided MDS with an impressive array of useful support services. The library, computer center, instructional media center, motor pool, and academic departments all came to be utilized more and more over time.

Internally within the university MDS was perceived by USU administrators and others as being an appropriate operating unit within the College of Business, and one which fit in nicely with the primary mission and role of a land-grant university. This fact was demonstrated by the financial support given to MDS in January 1975, when ORD funds were withdrawn, and by the decision to provide hard money funding for one MDS position, beginning in July 1975.

The university setting proved to be a very attractive location from the standpoint of the MDS professional staff. MDS was able to recruit and retain a high caliber staff at reasonable cost as a consequence of the location. The intellectual and cultural environment and personnel policies were all perceived by MDS staff as extremely desirable. Contributing positively to this situation was the hybrid make up of the MDS staff and mode of operations, i.e., university faculty members interacting with full-time operational team members on a regular and continuous basis. The intellectual stimulation and cross-fertilization of ideas afforded by this relationship was outstanding and served to provide an effective bridge between the employer's real world concerns and the academic training and research carried out

in the university's business school. This good relationship kept the MDS operational team informed of new research and developments in the academic fields relevant to their work and enabled them to disseminate these new concepts and ideas to employers on a regular basis. They were also able to try out the new concepts or techniques with interested employers in actual work settings in the course of their consulting activity.

USU faculty associated with MDS were able to improve the relevance and quality of their teaching by utilizing many of the ideas and experiences arising out of the field work being carried out by the operational team. They also tackled some interesting and challenging research problems encountered by the operational team.

While MDS found the university to be successful, there were a few negative aspects encountered which should be mentioned. First there seemed to be something seductive about the university environment. While most MDS staff were intentionally selected because they were not interested in a traditional academic career, the experience of working on such a challenging project and in a stimulating environment tended to cause some of the staff to begin thinking about going to get Ph.D.s and become attached to the university as faculty members with full teaching and other responsibilities. As this metamorphosis took place, the desire to maintain an active -program of outreach and consulting in distant locations was diminished slightly. Fortunately, two events

served as a successful antidote to this problem: (1) the infusion, on a regular basis, of new interns with enthusiasm for field work helped the operational team focus on their primary functions; and (2) the need to generate paying work once ORD funds were withdrawn served as a powerful incentive to keep the staff actively involved in outreach efforts.

Another potential problem of the university base for MDS was the typical academic allowance for, if not encouragement of, consulting by faculty members. In the case of MDS, two of the USU faculty members who served as consultants to MDS carried out additional consulting and other income producing activities. Although there did not appear to be a conflict of interest between the outside work they engaged in and that which they performed for MDS, this might pose a problem in some siutations.

The decision was made at the outset of the project not to allow the MDS operational team to engage in consulting activity outside of their regular work as this would have placed them in a serious conflict of interest situation. They were allowed to teach university sponsored extension classes for extra-pay (on the same terms as faculty members), if they wanted to, as long as those activities did not interfere with their MDS consulting work. This arrangement worked out to the satisfaction of all concerned.

One other problem faced by MDS, which is not necessarily related to the university base, is the sparsely populated geographic area of Utah and the Intermountain West. Con-

siderable travel time was required to reach the outlying rural areas of the state and region. The question of whether to outstation an MDS staff member in the outlying areas was considered in an effort to reduce the travel time, but this idea was eventually rejected. It was concluded that the isolation experienced by a staff member in such a situation would be detrimental to him and to the effectiveness of the unit. As MDS was quite small in size, locating the team members in separate distant locations would have destroyed the values gained by having them interact regularly with each other and with the USU faculty members. Furthermore, the group worked very effectively as a team, and such a change would have prevented that approach from being utilized. From the point of view of MDS, the increased effectiveness of the operational team outweighed any possible loss of efficiency as a consequence of the greater travel time. Whenever possible, MDS staff stayed in the outlying areas for several days at a time and scheduled visits with several clients in the vicinity to maximize effective time on each trip. The considerable accomplishments of the MDS operational team with the limited resources available appeared to demonstrate the wisdom of this position.

Based on the experience of MDS, it could be argued that staff performing this kind of advisory work should be outstationed only when the distances involved and population to be served warrant the creation of a small unit of several people who can interact with each other and, only then, if

the circumstances enable them to maintain frequent contact with the university base headquarters and staff.

Summary Conclusions - University Base

- MDS was able to effectively organize and deliver its manpower and training consulting services from a university base.
- The university setting provided considerable flexibility and technical resources to aid MDS in the performance of consulting, training and other operational activities.
- The university setting permitted a high level and quality of interaction between the MDS operational team and USU academic staff, and it supported the team approach to diagnosing and treating organizational and human resource problems.
- The land-grant extension orientation and experience in agriculture of Utah State University transferred nicely to a delivery system dealing with issues of manpower management, training, productivity, and the quality of working life.
- Utah State University proved to be an excellent base from which to attract and retain the quality of staff required to successfully organize and deliver manpower services to employers and the employed workforce.

4.3 Role of the Advisory Council

The original proposal for the project stated that an Advisory Council drawn from the project area would be selected to provide assistance to MDS during its formative stages. Meetings would be held to get the advice of its members concerning the determination of specific firms or industries with which to work, the locality in which the initial effort should be made, and the development of tighter specifications for the diagnostic assistance to be offered and concentrated on in the early stages of the project.

The selection of the Advisory Council proved to be a more time-consuming process than was first anticipated. The task of selecting the Advisory Council was undertaken after recruitment and selection of the team had been completed. The initial planning for this task was undertaken in mid-August 1972 and was finalized during the next two weeks.

After considering several possible approaches, it was decided to identify those organizations considered appropriate to provide representatives for the Advisory Council. The organizations contacted were:

Utah Manufacturers' Assocation
Greater Salt Lake Chamber of Commerce
Utah State Department of Development Servcies
Utah Division of Industrial Promotion
Ogden Chamber of Commerce
Utah State Employment Service
Utah Personnel Association
Industrial Relations Research Association
American Society of Training Directors
Cache Chamber of Commerce
Institute of Industrial Relations, University of Utah
Provo Chamber of Commerce
Pro-Utah
Pocatello Chamber of Commerce

Contact was made with spokesmen from each of the designated organizations. After briefing them about the nature of the proposed work, they were invited to recommend individuals who would be qualified to serve on the Advisory Council. A number of businessmen in the area were also asked for their recommendations. A list of persons and organizations represented was then compiled. This formed the basis for the list of individuals to be contacted. Appointments were made with the prospective members, and they were visited by members of MDS, usually the Project Director and a core staff member. On the basis of personal interviews and other information collected, those selected were invited to participate on the Advisory Council. It should be noted that, almost without exception, those people contacted in the preliminary stages as well as the Council members finally selected were enthusiastic about the project and expressed positive statements as to the need for such a service. Only two persons approached were unable to serve on the Advisory Council. Both expressed interest in the project, but felt they could not serve because of other commitments.

Before the Council was officially chosen, prospective members were asked who they felt would make a good chairman. In this way, a chairman could be selected without lowering the status of the other members, something that could possibly have occurred if an open vote had been held during a meeting. This method worked very successfully for MDS as one person was named most often as the logical person to serve as chairman.

The selection of the Advisory Council was completed by October 1972. (See Appendix G for a list of the Council membership.)

After being activated, the Council was asked to review the conceptual framework for the provision of MDS services, to give their recommendations on what kinds of firms or industries MDS should concentrate on, and what kinds of services should be provided. On the basis of the Councils' recommendations, MDS redefined and developed its conceptual framework and initiated direct contact with firms. Basically, the Council felt that MDS should work with whomever entry could be obtained. After sufficient experience had been gained and credibility established, the further refinement of objectives could be accomplished. Relatively infrequent use of the Council was made after the initial inputs were made. Meetings were called whenever the MDS staff felt the need for assistance from the Council, or that a report of activities should be made to them.

At the end of the first year a discussion was held by the MDS staff to determine whether the Advisory Council had fulfilled its purpose and should be disbanded, or whether it could still serve a useful purpose. After a review of the role of the Advisory Council, it was decided that the Council be continued as a functional body. The staff concluded that the major value of the Advisory Council was twofold: (1) helping provide credibility to MDS with the business community; and (2) serving as a sounding board for MDS ideas and

experiences. Contact with the Advisory Council provided MDS with a realistic business orientation as concepts and philosophies were developed.

A third reason for continuing the Council after the first year appeared to be political, i.e., to provide a base to help secure a future for MDS or the ideas arising therefrom should the outcome of the project result in favorable recommendations or positive program alternatives.

The existing Council membership was reviewed to ascertain whether any members should be released or replaced, and if so, how to make the changes. Serious consideration was given to adjusting the Council membership to better reflect the interests of smaller business firms. One Council member felt the Council had too many representatives of larger business firms and more input was needed from smaller firms as they were a primary target of MDS services. While MDS staff had considerable sympathy with the suggestion, experience with the existing Council suggested that members drawn from smaller businesses were the least active. It was postulated that perhaps those individuals, because of the size of the organizations with which they were affiliated, were short of managerial talent or had greater pressures on them than managers from larger organizations that freed their staff for public service activities. The dilemma appeared to be that this was the group most in need of MDS services, but their managers seemed less able to free the time to be contributing members of the Advisory Council.

A meeting of the Council was scheduled to review the progress of the project during the first year, to plan for the second year, and to consider its own role during the coming year. The Council concluded that it should continue in the same role during the second year as before, that meetings should be held on a quarterly basis, and that individual members be used to further the work of MDS whenever appropriate.

The use of individual Advisory Council members for more direct assistance in making contacts with clients had mixed results. The type of individuals on the Council and the many organizational demands made upon their time suggested that for some it was impractical or unrealistic to expect them to become directly involved in MDS outreach activities. Other members were able and willing to take a more active role.

The Advisory Council functioned in this manner throughout the second year. Council members were also involved in discussions with the Review Panel when it convened in March 1974. Subsequent to that time little use was made of the Council as a group. Although considerable contact was maintained with individual members, particularly the chairman, up until June 1975, virtually no contact which involved their advisory role was made after that date.

Summary Conclusions - Advisory Council

- An advisory council is more important to an organization such as MDS during the formative and early developmental stages.

- The major benefits derived from the Advisory Council centered around three areas: (1) a broadened perspective whereby such objectives could be achieved; (2) personal involvement of the council members which lent a degree of credibility to the activities of MDS although the necessity for this function was minimized considerably as experience demonstrated the utility of MDS services; and (3) referrals of organizations for services.
- Involvement by council members should not be over anticipated. MDS found it somewhat difficult to coordinate a variety of schedules to achieve input from the Council as a whole. Three or four members of the twelve man Council had virtually no involvement. Most members were willing to meet in Advisory Council meetings and on an individual basis, but relatively few provided input or had involvement beyond that.
- The role of the council should be advisory in nature; it should not be relied upon to establish policy.
- The appointment of a Council chairman proved to be a viable strategy, but the Director of MDS needed to work closely with the Council Chairman to insure that the Council served in a supportive role rather than worked toward objectives that might have been counterproductive. The final decision on policy and

implementation must always rest with the consulting organization.

4.4 Staff Training and Development

The nature of the consulting services provided to employers by MDS staff members required that the MDS team be flexible and able to apply a wide range of practical and theoretical approaches to meet the needs of each particular client organization. Team members selected on the basis of personal and intellectual potential rather than on direct business or training experience seemed better equipped to develop the attitudes, skills, and techniques necessary for providing such diagnostic and advisory services to employers. However, this approach demanded a rigorous and systematic training program to give specialized consulting skills to able but inexperienced team members. In addition, the decision was made during the planning phase of MDS development that diagnostic and advisory services should be delivered by a team approach. It was felt that a team approach would increase the variety of skills and perceptions available for analytic purposes and provide more insight into proposed remediation.

The development of the team concept requires formal planning to properly build the confidence and trust necessary to operate as a unit. Roles and functions of team members must be defined; work must be planned and evaluated as a team; and team-building techniques must be included as an integral part of the formal training sessions. The individual

team members must be sensitive to the needs and problems of the team to enable them to work together effectively in accomplishing organizational and project objectives.

To support MDS objectives and its philosophy of transferring knowledge and experience from the consultant to the client, it was determined that internal training should be directly related to MDS involvements with employers. MDS philosophy developed largely by adapting existing concepts to fit the needs and problems of individual employers, thus it was logical and consistent to organize staff training around the issues, concerns, problems, and needs of client organizations and their attendant staff, officers and personnel. MDS consulting activities were constantly monitored and evaluated by the team to serve as a learning experience, to identify pertinent training topics, and to modify and adjust MDS philosophy and operations to meet the realities of the work place.

Team development for MDS staff members proceeded through three distinct stages of evolution: (1) Training initiated and directed by the USU faculty contingent of MDS based largely on psychological, behavioral, and industrial models of learning and behavior (see Appendix H). Those general kinds of all-inclusive modules were very necessary during MDS's initial phase of development when large areas of background and literature needed to be presented to new MDS staff members to fill in gaps in their education and experience. These crash courses in the behavioral sciences served as a foundation for subsequent training and, indeed, for subsequent

interaction with client firms. With these training modules, MDS established the policy of meeting together for training purposes each Friday afternoon to discuss the training topic for the week and to relate on-the-job work experiences to discussion topics raised during training sessions. This initial stage lasted through October 1972, until the British Industrial Training Service (BITS) began their involvement with MDS.

(2) Training initiated and directed by two BITS consultants during the month and a half they were in residence with MDS in Logan (November and December 1972). Recognizing relative strengths and development of MDS staff at this point in time in the general areas of principle and theory, BITS tailored training modules toward the specific implementation of techniques and procedures useful to them in their work in Britain. These specific areas were heavily represented by industry-specific training programs, i.e., clerical training, manual training, training in the brewery, waterworks, and leather industries. Generalizable principles that had transfer to MDS areas of interest were sought and identified, i.e., supervisory training, management training, training the trainer, construction of a training program. In addition, BITS helped develop specific diagnostic and analytical skills and techniques useful to MDS in their work-related experiences with firms and organizations. Job analysis, task analysis, fault analysis, training needs and analysis, are representative of the kinds of analytical techniques developed among MDS staff by BITS. BITS consultants were

instrumental in developing critical work-related skills among MDS staff at a juncture in time when those kinds of specific skills filled an expressed need and demand. This stage lasted until the exit of BITS personnel the last of December 1972.

(3) Training initiated and directed by full-time MDS staff. Following BITS involvement with MDS, the entire MDS team interacted in evaluating progress to date and in establishing short- and long-range objectives to be met in the future. In the area of team development, specific recommendations emerged. Training, in so far as possible, was to relate specifically to the kinds of diagnostic and analytic functions that MDS offered as services to client firms. Training modules were to be directed by a full-time MDS staff member with whatever group support he deemed necessary--including USU faculty acting in a consultative and supportive role, on call for assignments whenever needed. Training was to involve practical applications of skills and techniques treated as well as in-class academic treatment. In practice, these operating guidelines worked thusly: Training topics were planned in one month packages; e.g., in January the decision was to treat job analysis, interviewing, organizational chart analysis, and decision-making analysis, all important elements of organizational analysis. An MDS staff member was assigned responsibility for each module and he coordinated and directed the assigned session. For example, if job analysis was the assigned training topic, selected readings were made available to

staff members on job analysis for perusal prior to the session. In addition, each MDS member was assigned the responsibility of conducting a job analysis of some type and presenting his material as a case study during the training session. Faculty were available for individual consultation during the week and for evaluation and constructive criticism during the actual training module. MDS found this approach to team development effective and work specific, thus fulfilling the original development objectives.

In addition to the evolution of MDS training discussed above, some general comments regarding team development are in order.

All contacts with client firms served as material for team development in the form of case studies and applications of general training principles. This was not done informally or capriciously, but was built into the training program. The intent was to insure that all principles, theories, techniques, skills and studies be related as closely as possible to on-going activities with client firms.

Team development was coordinated closely with individual development, and interaction with a client organization was shared with the group as discussed above. Secondly, coordination of library and periodical material with training modules enhanced and made more meaningful individual study with literature perusal; and thirdly, team members were encouraged to participate in conferences, workshops, seminars, and related proceedings of such professional organizations as the American Society for Training and Development, the

American Society for Public Administration. Although budget considerations limited participation to approximately one conference or workshop per staff member per year, value was received from participation in such activities in terms of new information, theories, techniques, experiences and contacts which were subsequently shared with other staff members and which ultimately appeared in improved performance on the job.

Findings of MDS experience suggested that as the staff became more involved in external activities, e.g., making contact with client firms and conducting diagnostic and implementation activities, it became more difficult to continue the operation of a systematic team development program. The emphasis necessarily shifted from formalized classroom sessions to on-the-job learning experiences supplemented by periodic group seminars to discuss specific topics or problems. This development stemmed largely from two factors or conditions: (1) It was difficult for a small staff to free the time and resources required to develop and administer a formal training program. A very strong commitment to training is required. Fortunately, in the MDS experience, such commitment existed. (2) As team members became more confident and competent, they tended to diminsh their reliance on team oriented training sessions for guidelines, directions, and operating procedures.

By team members sharing client-based knowledge and experience, the project director can, as has been the case with MDS, reinforce training objectives and emphasize the

importance of training activities. In addition to the commitment and reinforcement required of the director of the operation, a team-oriented training program requires the active interest, commitment, and participation of team members, and the cooperation and accessibility of supporting resources, primarily academic department-based faculty personnel. For the most part, these conditions existed; and the MDS training program performed as anticipated. However, its success, based largely on program flexibility, adaptability, and job relatedness, does not insure successful transfer to other sites and conditions except in general, philosophical terms. Training programs for Human Resource Analysts (HRAs, as MDS professional staff were called) tend to be more readily accepted and effective as they address job related issues, concerns, and conditions, and as they reflect planning input and evaluation feedback from participating HRAs.

The relationship of training to HRA performance is an important, but sticky issue. Certainly operational procedures and style can be assessed by the HRA himself, by an internal or external evaluator, and by client employers. The results in terms of effective and efficient client oriented behavior can be fed back to the HRA in a group or individual format to reinforce positive performance and to change negative and counter-productive behaviors. The MDS evaluation system provided that kind of useful feedback to HRA staff and team members and served as a

useful training vehicle for the development of professional and successful consulting skills.

It is more difficult to correlate the impact of training with long-range quantitative changes in client organizational performance, although one assumes that procedural effectiveness correlates highly with organizational performance. In general, such an evaluation is inherently subjective. The HRA, the MDS evaluation specialist, and the client employer all had observations and reactions relating to the relative success and failure of activities performed by MDS. These observations could be cross correlated and compared with subsequent client performance indices. The results of this comparison could then be compared with the MDS training curriculum to determine whether those activities correlating highly with performance indices correlate as well with items in the training curriculum.

Summary Conclusions - Staff Training and Development

- Training is important, and a formal program should be built into the total structure of an advisory service's activities approximately as follows: (1) Initially for new personnel, from two to six weeks depending on need and qualifications; (2) Subsequently, for one day a week for an additional two to six weeks; and (3) Finally, for two to four hours per week on a regular basis.
- Training should be job-related, that is it should focus on the needs, concerns, and issues facing employers in the target labor market.

- Training should have a cognitive/process mix to meet job related dimensions.
- Training should reflect input from HRAs.
- The university is perhaps an ideal setting for training purposes as it provides a library, a computer, faculty, and other resources which can be combined in a stimulating learning environment.
- One staff member should assume the role of training coordinator on a permanent or rotating basis.
- Training should be evaluated on procedural and performance terms. Results should be fed back to HRAs and other appropriate staff members.

4.5 Utilization of Internship Program

From the beginning of the project, MDS was concerned with increasing the number of specialists capable of performing advisory and consulting work. If the work of the MDS unit demonstrated that there was a substantial need for the services offered, how could Human Resource Analysts be recruited and trained for this type of work? In order to meet the challenge the MDS staff considered several possible alternatives.

The first alternative was to establish some criteria for selecting interns, and then invite firms to send individuals from their staffs to work with MDS personnel for a specified time period. During this period with MDS the intern would receive intensive training in the skills needed to effectively function as a Human Resource Analyst or Training Development Officer. The training program would

marshall the resources of MDS and the university to provide the interns with a meaningful educational experience. When their period of training was completed, the interns would be expected to return to their former employers where they could utilize their newly acquired skills.

The second alternative encompassed the identification and selection of appropriate graduate students who had the requisite abilities and interest to become interns with MDS. The intended objective would be to give them relevant experience and training as interns with the hope that once they completed their academic training they would move into firms or agencies qualified to engage in the kind of work being undertaken by MDS. The stipend for these positions could be built into the project or provided by other resources.

It was felt that either of the approaches mentioned above would multiply the resources of MDS in carrying out its activities and increase the pool of training resources available for this type of work. Such a program if successful, could also be developed into a full-fledged university-linked program.

The idea of an internship program was explored with USU administrators and presented to the MDS Advisory Council for their consideration in November 1972. The Council was a little hesitant about inviting firms to send individuals to work with MDS as interns. Council members were most worried about having an individual employed by one firm go into another firm (which might be a competitor) to help diagnose that firm's problems. Because of the Council's

reluctance to recommend this alternative, the idea was shelved. However, MDS staff members still felt the idea had merit and thought some means could be devised to overcome the concerns expressed by the Council.

The Council was favorably impressed with the second alternative of selecting graduate student interns to work on the project and recommended that MDS implement it. Discussions were held with the Dean of the USU Graduate School and with the Director of the USU Economic Research Center. The university officials were sufficiently impressed to make available the sum of $3,000 for use as stipends for the students selected, plus out-of-state tuition waivers if appropriate.

Following the approval of the internship proposal, MDS advertised the openings throughout the University. Candidates submitting applications were interviewed, and two were selected to receive the appointments. One of those chosen was a Ph.D. candidate in Psychology. The other intern was an MBA candidate. Both were on stipends but elected to join MDS because of their interest in the project. The first MDS-sponsored assistanships were for a six-month period from January 1, 1973 to June 30, 1973.

The intention in taking on the two interns was to fully involve them in the substantive work of MDS. Unfortunately, the timing and circumstances surrounding their attachment with MDS were not optimal. MDS, as an organization, had not reached the stage in its own development where it

could properly accommodate an effective internship program. Consequently, the introduction of the internship proved to be premature. The MDS unit was struggling to obtain an identity of its own, and staff members were attempting to gain the necessary skills and experience to function effectively as professional Human Resource Analysts. They did not have the time nor the expertise to properly train and utilize the interns or to serve as appropriate role models. The lack of experience and expertise of the HRAs, together with the status differentials between them and the interns, who had had considerable work or educational experiences, resulted in some friction between the two groups. As a result, the interns were less effectively utilized than they might have otherwise been, and they reverted to a more traditional graduate assistant role for the remainder of the six-month attachment to MDS.

On the basis of the first year's experience it was decided not to employ any interns during the second year of the project. Instead, sufficient resources were budgeted for one graduate assistant who functioned in that role during the 1973-74 academic year.

It should be noted that the internship program was not a complete failure during the first year. MDS hired one of the interns to work as an evaluation specialist during the remainder of the project. The experience he gained while working as an intern together with his computer and statistical skills made him a valuable member of the MDS staff. The

other intern subsequently obtained employment as a professional psychologist.

The concept of an internship program was revived by the MDS Review Panel in March 1974. They felt that the maturity of the project warranted a reconsideration of the idea. Several panel members suggested that such an approach should be considered as one method of relating the project more closely to the goals or the university and of increasing the number of persons capable of performing the kind of work MDS was engaged in. For these reasons, the 1974-75 budget of MDS included sufficient funds to employ one intern. As it turned out, circumstances permitted the hiring of three interns in the summer of 1974.

As noted in Chapter 2 of this report one of the full-time HRAs left MDS in January 1974 to take employment with a major Intermountain bank as their director of training. A search for a replacement was not undertaken until after the Review Panel made their report and ORD had funded the project for a third year. At that time (April 1974), a search was launched to fill the HRA vacancy and the newly budgeted Intern position. When the applicants were screened, it became apparent that the candidates for the Intern position were much stronger than those for the HRA position. Consequently, the funds for the two positions (one full-time HRA and one Intern) were combined, and three Interns were subsequently hired. One Intern had excellent credentials, including a Masters degree in Public Administration, but

no experience. He was hired with the intention of promoting him to HRA after a period of training and experience with MDS. The other two Interns were both second-year students in a Masters of Organizational Behavior program. They wanted a full-time attachment to MDS to fulfill the internship requirements for their academic program.

The introduction of the internship program during the last year of the project proved to be highly successful. The three Interns, by virtue of their personal qualities and professional preparation, were well equipped to be fully integrated into the work of the MDS unit; and MDS was now capable of assimilating them into the organization and its activities.

Although the budget cut in late 1974 necessitated the premature termination of two of the Interns after only five months with MDS, they had clearly demonstrated the value and utility of the concept. Before their departure they were both functioning as full members of the MDS staff, augmenting the total resources available to perform the work. Through their outreach efforts several new clients were obtained with whom they were able to perform diagnostic and other consulting work, both independently and in cooperation with other staff members.

The competence demonstrated by one Intern resulted in his subsequent promotion wtihin MDS to HRA. The two Interns who were terminated in December 1974 returned to school to complete their academic studies. One of them subsequently obtained a job as an organizational development

consultant with a major aerospace firm. The other Intern completed his Masters program and returned to Logan in June 1975 to resume employment with MDS as an HRA.

The success of the MDS approach to staff development, and especially the internship concept, can be contrasted with the virtual absence of any academic program in American universities designed to provide the kinds of training needed to prepare individuals to work as Human Resource Analsyts in agencies like MDS, or to perform this type of work in private firms or public agencies. (There is one undergraduate program in training and development given by a college in Arizona.) This situation has led to the development of a unique new Masters degree program in Human Resource Development at Utah State University. The USU program is quite unique and should be confused with other academic programs created in the past few years (some with support from Manpower Administration in the form of institutional grants) to train manpower planners for the CETA system. Unlike those programs, USU's is heavily oriented toward providing students with the technical and applied skills needed to effectively function as training and human resource development professionals, both in terms of the needs of organizations like MDS and along the lines suggested by Ted Mills in his recent article in the Harvard Business Review.[1]

The objectives of the USU program are not to turn out manpower planners for the CETA system, a function which

is already being satisfactorily accomplished by several schools across the nation, but to develop an entirely new breed of HRD professionals who are able to cope with current organizational and societal problems and issues that will become increasingly complex and difficult in the future.

The USU Masters program in HRD was started in the fall of 1975 under the auspices of four cooperating academic departments (Business Administration, Economics, Psychology, and Industrial and Technical Education). A solid foundation in one of the four academic disciplines, in addition to the courses in HRD, is considered essential to the training of the HRD professional. The students in the program will also have an opportunity to participate as interns with MDS (or in some cases, with other appropriate agencies) in addition to the academic side of the program. An internship is considered to be an essential part of the training for all students.

Already, as is mentioned in Chapter 5, the program has attracted a student from the Philippines National Youth and Manpower Council, and a shorter version of this program has been requested by officials from the national training agency (SENA) in Colombia. And, if imitation is the sincerest form of flattery, then MDS should be highly flattered by the recent offering of a successful program (which is very similar to the MDS staff development and internship program) for HRD consultants in manpower advisory services in other nations. This couse is being offered by an organization

in London, England. One of the directors of that program was a participant in the 1974 seminar held in Oslo, Norway, which was directed by senior staff members of MDS and at which the MDS model for training HRD advisors was presented.

A copy of the statement outlining the content and objectives of the USU Master's program in Human Resource Development is included as Appendix I.

Summary Conclusions - Internship

- The concept of an intership program has value for MDS in support of a number of organizational objectives: increasing operational capability, proving training for future HRA positions, providing a practical experience in support of an academic or educational program.
- Interns will probably not be used effectively or productively until the host organization is of sufficient maturity and capability to provide real learning and growth experiences and to modeulate feelings of insecurity and conflict. MDS did not reach this state of maturity until its second year of operations.
- Interns can, and perhaps should, be recruited from a number of diverse backgrounds: graduate students from business, public administration, organizational behavior, psychology, industrial relations and other programs, requiring a practical exposure to work-related problems and issues; managers, staff,

and other employees in the public and private sectors who are permitted leaves of absence to upgrade skills and techniques in manpower management and human resource development programs; consultants and university professors who desire exposure to new techniques and concepts in delivering services to a diverse range of public and private organizations; manpower planners and program developers who require skills and experiences working with employers, disadvantaged clients, public officals and others in the manpower arena.

- A successful internship program must provide systematic training, learning, and experiential activities for its interns who must develop a commitment and dedication to program objectives.
- There is a substantial demand for academic programs in HRD, with an internship, by organizations and individuals located both outside and within the U.S. USU is responding to this need by developing appropriate programs.

4.6 Availability and Use of Other Community Resources

Questions of considerable interest to the project staff were: What community resources were available to help deal with manpower problems experienced by employers, and how could MDS best cooperate with these other agencies in resolving the problems identified? If there were commercial or other consultants in the area, would MDS be

engaging in undesirable competition with them? And, to whom could MDS refer employers for implementation work?

The interest in the first question stemmed from the fact that MDS had a small staff whose resources would soon be exhausted if it attempted to perform all the implementation work which might arise out of the diagnostic activities carried out. It was felt that MDS could multiply the impact of its small staff sufficiently to have a significant impact on the community by effectively utilizing the client employer's own staff and whatever community resources were available.

In the course of the project, MDS found that in Utah some resources did exist with which cooperative relationships could be established to provide certain services in specific situations. The vocational schools, technical colleges, and community colleges were especially receptive to working with MDS. In one instance MDS worked with a technical college to develop and initiate a new course for sewing machine operators. In several instances MDS diagnostic activities indicated the need for specially tailored training programs for employers. MDS designed programs to meet the needs of the employers and then solicited the help of local community colleges to teach as many of the modules as they were capable of teaching. MDS only taught those which the local people were not equipped to handle. This type of cooperative venture was most successful. In another case MDS worked with the Adult Education staff of a local school district to provide suitable educational courses for the workers in a mining firm. In still another case

MDS served an effective catalytic and coordinating role by helping a group of educational and manpower agencies in a rural area develop a survey of employer occupational needs. MDS staff served as consultants to the group and helped design the questionnaire and process the data through the university computer facilities. This survey enabled the vocational educators in the community to plan more effective training programs.

In these and many other cases which could be cited, MDS filled a unique role by providing skills and expertise which were needed by an individual firm or community to accomplish the desired objective. At the same time, MDS found it especially satisfying to involve the available resources in the firm or community wherever appropriate and possible. Through these efforts the impact of the small MDS staff was substantially multiplied. The MDS staff could devote their time to those activities which MDS was uniquely qualified or especially well suited to perform.

In an attempt to better evaluate the consulting services available in the service area, in early 1973 MDS staff conducted a survey of commercial consultants operating in Utah. A list of all "management" consultants listed in the telephone directories was made, and knowledgeable and professional people in the area were contacted in an effort to obtain any additional leads of persons or firms which might be providing these services. A list of about 20 individuals and firms was compiled from these sources. An attempt was then made to contact all management consultants

for whom telephone listings and addresses could be obtained. The survey results were very revealing. Virtually all of the so-called management consultants were providing essentially financial or accounting assistance. Only 2 of the 20 consulting organizations claimed to be providing any form of training, personnel, or manpower assistance. One organization was an offshoot of an employers association, and investigation revealed that it was providing assistance to employers engaging in collective bargaining or who wanted to keep unions out of their firms. The services were clearly limited in scope and partisan in objective. The other consultant was a psychologist operating out of a neighboring state. He offered to perform any services in the realm of counseling and industrial psychology, but had done little work in Utah.

Several professors at the state's colleges and universities were found to be moonlighting as personnel or organizational behavior consultants, but most of them were very specialized or limited in the services they were providing, e.g., performance appraisal, testing, human relations training. None of them appeared to be doing anything comparable to the work MDS was engaging in.

In the course of working with employers, MDS staff found that many of the existing consulting resources ignored the problems and concerns of the small and medium-sized organizations and preferred to market their services where there was a higher dollar pay off. MDS found no existing consultants or consulting agencies capable of delivering

their services to the range and variety of employers serviced by MDS itself. Existing consulting services seemed geared toward the discrete, one-to-one consulting arrangement, and away from the collective, group-oriented approach, or to an approach looking at an association or industry as the logical client.

Summary Conclusions - Availability and Use of Other Community Resources

- While there were not many community resources available in the service area, MDS was able to develop cooperative relationships with most of those present.
- By utilizing the existing community resources, MDS was able to multiply the impact of its small staff and perform an effective coordinating function in bringing community resources to bear on pressing manpower problems and needs.
- There was little evidence of consultants in the geographic project area providing services parallel to those offered by MDS.
- Those firms that had employed management consultants usually were large firms, and they brought them from outside Utah.
- Most consulting services dealt primarily with specialized areas of concern, such as financial problems, accounting procedures, use of computer as a management tool, etc.

- MDS found that firms with previous consulting experience were more receptive to MDS assistance. Consequently, through its work with employers, MDS was building a bridge for its clients to other existing resources.

4.7 Willingness and/or Ability of Employers to Pay for Manpower Advisory Services

As noted in Chapter 2, one of the objectives recommended by the national Review Panel to be explored during the project's third year was "a determination of the value of project services and/or of the delivery mechanism itself as reflected in the willingness of employers to pay for such services."

On July 17, 1974, a special meeting of the Advisory Council convened to discuss the fee for services question and to consider alternative methods of funding the MDS services in Fiscal 1976 once the demonstration phase of the project ended. A variety of ideas were suggested including: (1) a retainer or "membership" arrangement which could be scaled based on gross sales or employment levels of the organization; and (2) partial support from state government to offset the reduced fees needed to effectively reach those smaller firms unable to pay the full cost of services or for whom it might be uneconomical to provide assistance.

The Council recommended that a survey of former clients be conducted by the MDS evaluation specialist to ascertain their willingness to pay for MDS services and the preferred

methods of payment. Based upon the results of this survey, a strategy for costing MDS services would be developed.

The survey of former clients was carried out in August 1974. Based on the response of a sample of 19 firms, the (subsidized rate) fee schedule in Table 23 was drawn up.

TABLE 23

PROPOSED MDS FEE SCHEDULE
(AT SUBSIDIZED RATES)

1.	Retainer (guarantee 20 man hours of diagnosis. Extra charges would be made for additional diagnosis or implementation.)	$250/yr.
2.	Workshop (per participant)	$ 25.00
3.	Hourly fees (per contact man hour exclusive of expenses)	
	a) Diagnosis	$ 7.50
	b) Implementation	$ 15.00

After considerable discussion it was decided to proceed with the test of the fee plan as follows: (1) Former clients would be interviewed and specifically asked if they would have been willing to pay the proposed rates and whether they would have liked to be placed on a retainer arrangement. (2) MDS would charge all former clients these rates for any additional involvements. However, the first involvement with MDS would still be free in the general project area, i.e., the state of Utah. (3) A pilot subarea within the state would be chosen to test the acceptance to fees for first involvements. A test of the fee for services plan was scheduled to begin in October 1974.

The extreme financial pressures suddenly placed on MDS by the withdrawl of nearly 48 percent of the fiscal 1975 funds granted to the project by ORD aborted the systematic test designed to develop data on the fee-for-service question. Financial constraints forced MDS to take whatever kind of work was available from whatever source, without the ability to be discriminating in harmony with the original project objectives and plan of work. Nevertheless, the variety of work obtained thereafter helped further demonstrate the need for this type of unit, and did provide considerable information about some aspects of the fee-for-service question. It also provided an opportunity to develop some potentially useful services and to explore the types of relationships which could be established between MDS and other manpower programs, particularly CETA programs.

The MDS operational team essentially terminated all general outreach efforts and the delivery of services under ORD grant funds as of December 31, 1974. Work carried out thereafter was directed toward specific projects funded by private firms or public agencies. In the following twelve months approximately $40,000 in additional funds were generated from fee-for-service work and other sources. The types of services provided after January 1, 1975 included the following:

1. Diagnostic, Planning and General Consulting Activities
   (a) Comprehensive research, diagnostic, and consulting services to an Association of Governments manpower planning agency in a rural district of Utah.

(b) Consulting services in training needs analysis to the Cooperative Extension Services of Utah State University.

(c) Development of a pilot work skills/life skills training program for disadvantaged and other employees subject to high turnover and instability.

(d) Consulting services to identify turnover and training problems for several private manufacturing firms.

(e) Consulting services to identify training needs for department managers in a retail merchandising chain.

2. Training, Workshop, and Other Implementation Activities

(a) Development and conduct of a series of management skills training workshops with an emphasis on manpower for local government officials in a six-county region of Utah.

(b) Development and conduct of a supervisory training workshop for employers with workers hired or trained under CETA manpower programs.

(c) Development and conduct of several one-day specialized workshops for Utah State Employment Service personnel.

(d) Development and conduct of a seven-week management and supervisory training workshop for 50 supervisory personnel of a private manufacturing firm.

(e) Development and conduct of a four-week organizational development workshop for the training staff of a large, federal defense installation.

(f) Planning and development of a comprehensive supervisory training workshop for a mining firm.

(g) Development and conduct of a multi-session supervisory training workshop for a private meat-packing firm.

(h) Provision of consulting services in job analysis and evaluation to Utah State University.

(i) Development and conduct of three 2-½ day training workshops for all Employer Relations Representatives (60) of the Utah State Employment Service.

(j) Development of an orientation training program for a federal agency.

The fees charged for services provided by MDS since January 1, 1975 have been set essentially at levels designed to cover the operating costs of MDS. Most firms requesting training, workshop, or other implementation activities were prepared and willing to pay the market rates for these services. And while some of the activities engaged in by MDS in this category were not considered completely desirable or appropriate in light of the initial MDS operating philosophy and public service objectives, financial exigency necessitated the acceptance of this work.

Summary Conclusions - Pay for Services

- Lack of finacial resources to subsidize outreach and diagnosis activities prevented MDS from providing help to firms who are not able or accustomed to pay for services.
- Lack of financial resources to subsidize outreach and diagnosis activities encouraged MDS to shift emphasis to providing training and other implementation activities for larger firms who were equipped psychologically and financially to pay for services received.
- Selected firms were willing to pay for services received at going market rates.
- Without subsidization MDS was best advised to focus activities in the more metropolitan areas where outreach and service costs were not as great.
- Without subsidization MDS was limited in the time and resources that could be spent in many general manpower extension activities such as broadly disseminating new ideas and techniques which might be useful to employers throughout the state and region.

4.8 Institutionalization of MDS

Another of the third year objectives for the project, which was a result of one of the recommendations (noted in Chapter 2) which the national review panel made, was "a determination of the value of project services and/or

of the delivery mechanism itself as reflected in the willingness of some other public agency(ies) to assume sponsorship of the project (or its discrete services) at the end of this transition year."

On the basis of this recommendation MDS staff began exploring all possible alternatives for securing the future of the MDS unit as a viable organization. These efforts were first initiated in the fall of 1973 when the Director of MDS met with the Directors of the Utah State Employment Service, Division of Industrial Promotion, and State Department of Development Services. The group was enthusiastic about the work being carried out by MDS and indicated a desire to see MDS continue at USU as a permanent public service agency, if at all possible. The suggestion was made that planning activity be initiated among the interested state agencies, USU, and MDS staff to ascertain how funds could be obtained to finance the future work of MDS once the R & D phase of the project was completed.

Additional discussions were held with USU officials in December 1973 to determine whether the university would be willing to support the continuation of MDS at USU in cooperation with the state agencies. Again, the response was very positive. The feeling was expressed that if sufficient lead time were allowed, some financial support could be provided by the university. Subsequently, in the fall of 1974, the USU Vice President for Extension and Continuing Education made a commitment to fund one MDS position beginning on July 1, 1975.

The loss of grant funds in January 1975 placed in serious jeopardy the objective of institutionalizing MDS. Instead of a systematic and planned effort to accomplish this objective, the MDS staff were forced to make a choice between shutting down MDS entirely or to solicit assistance from potential sponsors. The central administration of Utah State University recognized the value of the work being carried out and, therefore, contributed $18,000 to help tide the unit over until July 1, 1975. In addition, two research proposals were written and funded in the spring of 1975, bringing in an additional $12,500. Finally, as noted above, sufficient paying work was obtained from a variety of sources to maintain the core staff of the unit throughout the remainder of 1975.

Two efforts to obtain financial support for MDS were notably unsuccessful. A proposal was submitted to the State Division of Industrial Promotion in February 1974 requesting funds from their 1975-76 budget to support the work of MDS. They were unsuccessful in obtaining sufficient funds from the state legislature to allow such an arrangement. After a change in the leadership of the agency occurred in the spring of 1975, new efforts were initiated to see if there were any opportunities to perform work of mutual interest and benefit. So far these efforts have not been successful.

The second major effort to obtain financial support for MDS was launched at the behest of Employment and Training Administration officials who suggested that MDS see if any

support could be obtained from the State Manpower Services Council or local CETA prime sponsors for services which might be provided to them. Discussions were held with several of the prime sponsors and officials from the State Office of Manpower Affairs (OMA) in the winter of 1974-75. The state OMA staff received the ideas very sympathetically, but suggested that the proposals be made directly to the local prime sponsors since "they had the money." After further preliminary discussions with several local prime sponsors a request was made by the Six County Association of Governments (AOG) to have MDS develop and conduct a series of management skills training workshops, with an emphasis on manpower, for local government officials. This was agreed to and the work subsequently carried out. (A write up of the work done for this AOG is included in Appendix J.)

At about the same time the Six County project was initiated, several of the local offices of the Employment Service asked MDS to conduct some short training courses for their staffs. While the work for the Six County AOG and Employment Service was being carried out, a formal proposal, based upon prior MDS experience with employers and observations of the operation of CETA manpower programs, was made to several local Prime Sponsors. (A copy of the proposal is included as Appendix K.) A copy of the proposal was also sent to the Office of Manpower Affairs asking them to review it; and if they liked the proposal, to either consider funding it at the state level or encourage some of the local prime sponsors to do so.

While the OMA staff liked the proposal, they once again stated that OMA had no money to finance the delivery of such services, that it would have to come from the local prime sponsors. Several of the local prime sponsors contacted liked the ideas proposed, but said they either couldn't legitimately spend money for such services, or they just didn't have sufficient resources to purchase them at that time. Two local prime sponsors said they liked some of the ideas proposed--and one felt they were of such importance that they were going to appoint a person ostensibly for the proposed purpose. But when MDS checked some time later to see how he was doing and to offer any assistance in training him to perform his new duties, it was learned that he had been given another assignment and the desired work had never been initiated. The other prime sponsor had a person employed with a title covering the appropriate area, but there has been no evidence to date that he is in fact performing any of the work in question.

In the fall of 1975 MDS staff again approached the OMA and several local prime sponsors to discuss the ideas which had been proposed earlier. Once again there was acknowledgement of the need for the kind of help proposed, but the response was that it would not be possible under current federal guidelines to spend money for the proposed services.

What has been learned from the past year's efforts to help CETA prime sponsors and other manpower agencies in Utah fill some serious gaps in the system? First, the

Utah Job Service has recognized the value of the services provided by MDS and has continued to use them on a regular basis, thus recognizing the importance of MDS as a specialized resource. On the other hand, the CETA prime sponsors, with one or two exceptions, have repeatedly acknowledged the existence of many problems which could be dealt with through the use of MDS, while at the same time pleading poverty or restrictive federal guidelines as reasons preventing their use of the services available. All CETA prime sponsors say they need and would use the services if the federal guidelines were changed or if federal support (outside their jurisdictions) could be provided to underpin the delivery.

Unfortunately, the lack of resources during the past year has prevented MDS from unilaterally demonstrating the value of the services which could be provided to the CETA system (with one notable exception where a grant from another agency was obtained to finance the work). As long as this situation prevails and the prime sponsors are hesitant to try anything other than that formerly carried out under earlier categorical programs, little real progress beyond the present levels in the CETA system can be expected. A nationally financed demonstration project to deliver these services to the local CETA prime sponsors for a sufficiently lengthy period to demonstrate their value (or lack thereof) appears to be the only way to bring about the desired change in attitude.

At the time of writing this report (February 1976) MDS is still operational with a three man professional staff under the direction of Marion Bentley, who now serves as Associate Director of MDS and Extension Manpower Specialist at USU. At the present time his salary is the only "hard money" support received by MDS, an indication that so far only the university has been willing to make the commitment to support the institutional base and the public service activities encompassed in the unit. The funds to support the remainder of the staff and all operating expenses are now coming from client fees and other contractual sources. At the present time this is just barely enough to support the two additional staff members. All three USU core faculty members, Drs. Hansen, Cragun, and Mecham, are back on full USU support; they are receiving no support from and have minimal attachment to MDS with the exception of the Project Director, Dr. Hansen.

Because of its straitened finances, MDS no longer has the luxury of selecting the type of work to be undertaken or the clientele to whom the services should be made available. As mentioned in the previous section, the most notable result has been a marked shift away from serving the needs of the small and medium-sized employers--the group for whom the unit was originally intended to serve--and the inability to actively pursue many of the public policy objectives encompassed by the unit. Still, one would have to conclude that the fact that MDS survived after the abrupt and catastrophic loss of funds needed to undertake an

orderly transition, provides strong evidence to support the conclusion that there is considerable value of the project services and/or the delivery mechanism--at least to some of the public and private employers in the state of Utah.

Summary Conclusions - Institutionalization of MDS

- The untimely loss of ORD funds part way through the project's third year made the institutionalization of MDS at Utah State University much more difficult to accomplish.
- MDS has been institutionalized to the extent that it is now receiving a small amoung of salary support (1 man) from the university. At the present time no other public agencies in Utah have been able or willing to provide any financial support to help underpin the unit.
- Since January 1, 1975, sufficient fee-for-service work has been obtained by MDS to pay the salaries of a small (2 man) staff, but not enough to enable the unit to operate at an optimal level.
- Additional financial support is needed by MDS to maintain the unit at a desirable level, i.e., sufficient size of staff and operating budget to provide a proper balance between diagnostic and implementation activities, subsidize the delivery of services to smaller firms; and support the accomplishment of needed public service activities.

- MDS has the capability of providing certain urgently needed services to the CETA manpower system. However, the local prime sponsors in Utah have responded very much like small employers: they are either unable to pay for services or unwilling to commit the resources for their purchase until the value can be conclusively demonstrated to them. A nationally financed project to demonstrate the value of these services appears to be the only way to bring about their use, and thereby the desired improvement in manpower planning and program operation at the local level.

Footnotes

Chapter 4

[1]Ted Mills, "Human Resources - Why the New Concern?" Harvard Business Review, XL (March - April 1975), 120-134.

5. OTHER EMPLOYER MANPOWER ADVISORY SERVICES AND RELATED RESEARCH

5.1 Introduction

One of the objectives of the Utah State University Manpower Development Service (USU-MDS) project was to monitor the efforts of other universities and non-profit organizations who provided manpower advisory assistance to see what lessons could be learned from their experience. It was also proposed that a similar review and analysis be made of the relevant lessons gained from the industrial service experience of the Utah State Employment Service prior to the termination of these services in 1965.

The following sections represent a summary of the information obtained about several programs which were identified as being appropriate for use in fulfilling the above stated objectives. Unfortunately, the curtailment of project funds during the final year prevented the collection of all the data necessary for the accomplishment of this objective. Consequently, the information presented below represents a very limited sampling of these efforts and should not be considered as an exhaustive treatment. The limited survey efforts did reveal a paucity of agencies providing manpower or training advisory services comparable in objectives to those of MDS, or utilizing the same delivery mechanism. However, several agencies were identified

which provided services through somewhat similar delivery mechanisms.

5.2 Employment Service Industrial Services

About twenty years ago the U.S. Employment Service (USES) in Washington began encouraging the State Employment Services (ES) to create Industrial Service (IS) units as part of their employer services programs. The objective of these units was to provide employers with assistance in dealing with their basic manpower problems of recruitment, selection, etc. In return for such assistance it was hoped that employers would be more willing to utilize the placement service of the ES. Depending upon the desires of the individual states and the special circumstances found therein, IS units were established in most states. They began providing assistance to employers ranging from help in performing job analyses to writing job descriptions and conducting attitude surveys and turnover studies. Like many other states, the Utah State Employment Service established an IS unit which performed many of the above described activities.

With the shift in priorities and the addition of new functions acquired under the 1962 Manpower Development and Training Act (MDTA) and the change to greater emphasis on serving the disadvantaged which occurred thereunder during the mid-1960's, the majority of State Employment Services downgraded or abandoned their IS units entirely; many did the same to their employer services programs

generally. In Utah the IS unit was phased out by 1965. Today the Utah State Employment Service does not provide employers with any manpower advisory services whatsoever. When old-time Utah ES personnel are asked about the IS services delivered in the past, they speak of them in positive terms both as their value and the receptivity of employers thereto. Unfortunately, no separate records were kept of the work carried out by the Utah IS unit and nothing other than the subjective comments of old-time ES staff members could be obtained to document the specific nature of work performed and the usefulness of this unit in Utah during its lifetime.

Because of the lack of information that could be obtained about the IS program in Utah, USES officials in Washington were contacted and asked to suggest other states where such information might be obtained. After some discussion it was suggested that the Texas Employment Commission (TEC) had one of the best remaining programs and would be a good one to take a look at. Contact was made with officials of the TEC in Austin and information was obtained about the operation of the Texas IS program.[1] The information below was obtained from discussions with TEC personnel and describes the IS program as it now operates in Texas.

The Texas Employment Commission has had an active program of industry services for approximately twenty years, having been established in the mid-1950's. Administratively, the Commission divided the state into ten districts and each district has at least one "employment technician," as they are called. The larger districts have two or three such

persons (the San Antonio District has four technicians assigned). The employment technicians are hired through the regular hiring channels of the Employment Service. Most technicians have a college degree; all of them have at least two years of college plus training or experience in related fields. Technicians usually have been with the Commission for at least eighteen months in some other capacity prior to assignment to an IS unit. TEC personnel must take a promotional exam through the merit system to become an employment technician. The pay scale for employment technicians in Texas is a little higher than for other ES staff. They typically rank on par with a low level supervisor, placement supervisor, or supervisory, interviewer.

When a candidate is selected for the employment technician position, he receives a one-week "potential techncians's" course conducted in-house at the Austin TEC office and then on-the-job training from an experienced technician in the field. If he is filling a position in a district where there is no other experienced technician, the State Supervisor maintains close telephone contact and may spend time in the field with him to help with difficult problems until the technician feels confident to handle his job. Occasionally, when some extra resources are available, one of the technicians will be sent to a nearby college to take a personnel course. Each technician also has copies of the Industrial Services Handbook put out by the national USES office several years ago, the Handbook for Analyzing

Jobs and the Turnover and Job Restructuring Manuals put out by the U.S. Department of Labor.[2]

As time permits and opportunities present themselves, the employment technicians go out and help employers "resolve manpower problems." TEC employment technicians work mainly with problems of selection and referral; they deal with an employer's problem of obtaining workers. Their work consists primarily of developing job specifications and understanding what is involved in performing a particular job. This usually involves a beginning-level job that the employer is having trouble filling. Technicians are also involved somewhat in testing but rarely get involved in a turnover study.

There is no set limit or guideline on how much time or effort may be expended on the problems of a client employer. Normally, the Industrial Services Unit personnel try to resolve the bigger part of the employer's problem. However, if an employer wants to do a major plant study where job specifications and job descriptions are to be written on every job in the plant, the IS unit will help train someone on the employer's staff to do the job rather than attempt to do all the work themselves.

The employment technicians work closely with the Employer Service Representatives and other local ES staff. When the latter discover a problem area than an employer is having, they will turn it over to a technician to work on.

The IS program in Texas is clearly seen by ES personnel as complementary to the primary role of the ES, which is job placement, without independent utility. This attitude is best illustrated by the comment of one TEC staffer who said: "We go in with the idea that we are going to help you, Mr. Employer, but in turn we would like to get the orders from you for placement purposes, because we are in business to make placements." This philosophy underpins the delivery of industrial services, influencing decisions as to whom services will be delivered, and how much and what kind of assistance will be provided. The priority established for the delivery of industrial services in Texas is to make them available to those employers who will help the ES the most with job placements. This means that large employers who are regular customers, i.e., those who list jobs regularly with the ES, will be given preference over small employers and those who do not make a regular practice of using the ES.

The staff of the TEC indicated that it is extremely difficult to prove the usefulness of the industry services program and, therefore, difficult to justify its existence in the face of competing demands for limited resources. In the mid-1960's, when the national shift in ES priorities occurred and the national office suggested that the industry services program be eliminated, a number of old-time Texas ES personnel realized that they wouldn't be able to service the minority groups unless they had employers who would go along with the program and provide job openings. The only

way to do this would be to continue to serve the employers. So, rather than do away with the IS program altogether, it was decided to cut it down somewhat but to maintain a minimal capability. This position was supported at the higher levels in the TEC and, consequently, the number of technicians was reduced from 28 to 18--the level which has been maintained up to the present time.

The current staffing level for the Texas IS program is seen by its staff as barely sufficient to stay in business and provide a modicum of service. A return to the pre-1965 level of 28 staff members is considered necessary to enable the unit just to handle all the demands for the limited types of work now being performed; and, perhaps, to expand modestly into other areas of activity such as turnover and skills inventory studies. Texas IS staff see themselves currently limited to little more than helping employers obtain and select employees.

Notwithstanding the original high level support which enabled the Texas IS program to survive the 1965 attempt to phase them out nationally, IS personnel say they still must engage in a constant fight just to maintain their present minimal staffing level. Expansion to a more desirable level is but a dream at the present time. The decision of whether to replace a retiring employment technician is made at the level of the District Director and above. Unless the District Director is convinced that this function is contributing substantially to the overall ES mission in his district, he may decide to allocate the position to some

other activity. It was suggested that some directors recognize the value and see the need for industrial services more than others do. Sooner or later those officials with little enthusiasm for IS work begin to divert employment technicians to "special projects" and the IS work assumes a lower priority. The current special assignments now being carried out by two of the four employment technicians in San Antonio appeared indicative of this problem.

The employment technicians in the TEC are left fairly free and autonomous in the performance of their duties. They keep a log of what they have accomplished during each month. A review of this log by their supervisors is used to help determine whether they are acting as technicians or as test administrators (this latter function appears to be a real possibility given the combining of these two functions in one person in the Texas IS program). Also, once a month and semi-annually reports are sent to the national office on an Employer Service Activity Report. The reports sent in from the districts to the state office include examples of the industrial service type work being performed; these reports also serve as indicators of what is being done. TEC Industrial Service staff feel that if a district sends the state office at least one report per month saying that they served an employer, and that during the last six months since the service was offered to an employer the TEC has done a substantial number of placements with him, then some good has been accomplished both for the employer and the TEC.

IS personnel in Texas indicated that they are operating in a communications vacuum. There is virtually no contact with individuals in other states performing this kind of work. Little or no interest has been taken in their work by the Washington office of the USES as indicated by the lack of memorandums or other communications received. The only indication of any concern for this service which could be demonstrated came in the face of a "paper drive" two or three years ago when it was decided to cut down on unnecessary reports. The decision was made not to do away with the Employer Service Activity Report. Texas ES officials were told to keep it "because it was needed." From this response TEC personnel assumed that the IS program must have some importance, at least enough to keep the reports coming in. However, no further communication has been received from Washington since that time.

The comments made by the TEC IS staff suggest that they are firmly convinced of the value of the service and consider it as an essential part of employer services. In their view, "you aren't going to do any good in the Employment Service without serving the employer." The problem, as they see it, is that people (including some USES and TEC officials) just don't understand what a technician can do--what industry services really are. "When you talk about manpower problems the normal individual doesn't know what you are trying to say. It is a real hard job communicating what the people can do for an employer."

Several conclusions were reached as a result of the review of the IS experiences of the Texas Employment Commission. First, these units appear to be providing employers with a useful and needed service. However, because of the constraints imposed by limited resources and specific ES objectives for the IS program, they do not (and perhaps cannot be expected to) provide very extensive or sophisticated manpower services to employers. Secondly, these units must constantly struggle for their existence and are subject to repeated assault during period of tight budget because of the clearly secondary role which they play relative to the primary job placement function of the ES. These two factors alone suggest that the ES may not be a very good base from which to provide more comprehensive and sophisticated manpower consulting and advisory services to employers on a regular and systematic basis.

5.3 The Upgrading Experience

Two other variants of the Employment Service operated Industry Services program which were considered to be noteworthy at the outset of the USU-MDS project were the New Jersey Industrial Training Service (ITS), located at Newark, New Jersey; and the Columbus Skill Improvement Systems (SIS) program operated in Columbus by the Ohio Bureau of Employment Security. Unfortunately, both programs were terminated before the USU-MDS experiment was very far along. Both programs started out as pilot R & D upgrading projects funded by the manpower administration, but were shut down in part as a

consequence of the budget cutbacks experienced by the Employment Service in the early 1970's. Fortunately, a record of the experiences gained during the life of these two programs was made a part of the Columbus SIS project. The conclusions and recommendations arising from these programs can be found in some detail by referring to the report by Arthur W. Kirsch and Ann L. McLeod entitled Manpower Services in the Workplace: An Employer Technical Services Program for a State Employment Service. A brief summary of these upgrading projects and the conclusions of the Shelley researchers which are relevant to the findings of the USU-MDS project will be discussed in this section. For an extensive review of the entire upgrading experience, the reader is referred to Upgrading--Problems and Potentialities: The R & D Experience, Manpower R & D Monograph 40 (Washington, D.C.: Manpower Administration, 1975).

5.3.1 Skill Achievement Institute and High Intensity Training[3]

Between 1966 and 1968 the U.S. Department of Labor funded a feasibility study and pilot program in New York City to develop a high intensity training (HIT) model for upgrading underemployed workers. The HIT upgrading approach developed by Skill Achievement Institute used a consultant in-plant intervention model which included an analysis of training needs, forty hours of in-plant training stressing personal development as well as job skills, a guarantee from the employer of trainee promotion with an 8 to 10 percent wage increase, and the training of a company official in certain

specialized skills to enable him to continue the training efforts. The HIT package was basically designed as a "hands-on" approach for utilization by an external organization having the skills and stature to intervene in the company's internal processes.

The initial and promising efforts in New York were followed by a decision to replicate and further test the HIT Model in three cities (Baltimore, Cleveland, and Newark) with the aim of providing an improved basis for gauging the potential of such efforts by applying a similar model in different political and institutional environments.

Sponsoring agents in the three cities were identified and funded in 1968. They were: a nonprofit organization, Skill Upgrading, Inc., in Baltimore; Skill Upgrading in Cleveland (SUIC), an arm of the Mayor's Department of Human Resources and Economic Development; and the New Jersey Industrial Training Service in Newark, an affiliate of the State Department of Labor and Industry through its State Employment Service.

5.3.2 Skill Upgrading, Inc.

The Baltimore project ran into serious difficult from the outset due to the lack of an "official" sponsor which initially handicapped the marketing of the HIT model to local employers. While this handicap was eventually overcome, other internal problems led to the demise of the Baltimore project once the initial contracts were completed. Little specific information could be gleaned from this

experiment. The relevant findings of the project have been subsumed in the reports of the other projects, or those prepared by the Skill Achievement Institute which served as consultant to the three upgrading projects.

5.3.3 Skill Upgrading in Cleveland[4]

In the Cleveland experiment, the HIT methodology demonstrated that a discrete federally funded agency could bring about the immediate upgrading of workers in a wide variety of company and industry settings. However, it was soon learned that these programs had a limited impact on employers. SUIC recognized that substantial organizational intervention into client companies is necessary for successful career development of presently underemployed workers. After two years this led to the evolution of the Advanced High Intensity Training (AHIT) upgrading technique which built upon the foundations of HIT to develop far-reaching interventions in companies leading to greater upgrading and more satisfying opportunities for trainees. The significant outcome of the AHIT program was the recognition that SUIC project staff could be used as manpower consultants to make a thorough analysis of client companies' operations, define the problems, and then determine what should be done based on that analysis. As a result, a marketing-analytic-training process was developed which looked at the employer's total system rather than at isolated training needs.

Under the original HIT program all that had been examined at most companies were one set of specific entry and

target jobs. HIT presupposed its conclusions before it started with a client company. The end product was to be a set of new jobs carrying on 8-10 percent wage increase for between 8 to 15 trainees. The only permissible response to a company's problem was one or more 40-hour training courses. SUIC recognized that upgrading a small group of workers in one specific skill would not solve a firm's problems. Unless several of the jobs were restructured and environmental problems dealt with, training alone would not meet a company's total needs. Thus, the SUIC staff came to focus on particular jobs and departments only as they related to the total system of a plant or organization. This systemic approach thus became the heart of the AHIT program. Within the parameters of the AHIT Program, SUIC was able to determine the kind and level of training services appropriate to a specific company and to implement training which maximized upgrading opportunities as well as supportive institutional change in that company.

5.3.4 New Jersey Industrial Training Service[5]

Like the SUIC, the Newark ITS began as a demonstration project to test the HIT model in an operational setting; but the project staff initially found little receptivity for the HIT model from employers who were unable to relate the inflexible upgrading approach to their perceived manpower needs.

Faced with employer resistance to the original HIT concept, the Newark ITS responded by following a similar

course of action to that being carried out in Cleveland. Therefore, the services offered by the project were broadened in order to respond to management's articulated training needs despite the absence of immediate upgrading opportunities for the company's workers. While no acronym like AHIT was coined in Newark to describe the changes initiated, the results were comparable. The modification of the service model in Newark involved dropping the rigidities of the HIT approach (the required letters of agreement, the 40 hours of training, and increases in trainee salary) in favor of a more flexible application of the High Intensity Training techniques coupled with traditional ES Industry Services practices. Employer receptivity to the new service configuration was unusually strong, as demonstrated by the six-month backlog of requests for service achieved even during periods of high unemployment in the Newark area.

The apparent success of the modified Newark ITS program in evoking the trust and respect of employers appealed to several officials in the USES who saw in the Newark experience an approach that might serve to revitalize the near moribund Industrial Services program and improve the ES employer contact process. The rationale for the position has been succinctly summarized by Arthur Kirsch:

> For the past several years the Employment Service system has become increasingly applicant oriented in response to the need for improving employment opportunities for the disadvantaged worker. Several USES officials have argued that the diminution of openings and placements experienced by all State Employment Services in the late 1960's and early 70's could be traced, in part, to employers' feelings

> that the Employment Service was not responding to their needs. The ITS experience suggested that a positive and aggressively offered service package providing assistance to employers in improving personnel management systems and in meeting company training needs might serve to improve the ES image in the business community. In so doing, an SES could evoke employer loyalty without substantially deflecting the focus of the placement process away from the needs of the disadvantaged applicant.[6]

Before proceeding with their plans to incorporate an upgrading component as a formal part of the total ES program, it was decided to test the concept further by installing an ITS type program in at least one additional state. The Ohio Bureau of Employment Services (OBES), headquartered in Columbus, Ohio, was selected for this purpose. It was hoped that the Ohio test would not only offer an opportunity to further examine the usefulness of the concept, but would provide a laboratory to develop the requisite documentation as a guide for other states wishing to replicate the approach. The accomplishment of this latter purpose was to be carried out by the E. F. Shelley Company of New York which was contracted to document the Ohio project and develop a program manual for use by other states wishing to set up an Employer Technical Services program.

5.3.5 The Columbus Skill Improvement Systems

The Columbus SIS project was funded in June 1971. The project got off to a slow and somewhat uneven start, due in part to the reorganization which occurred simultaneously in the Department of Labor office funding the project and OBES. Unfortunately, the original OBES program design for

SIS project followed basically the original HIT model, notwithstanding the subsequent Newark and SUIC experiences. The reason for this, according to the Shelley researchers, was "that concept was readily comprehensible to the OBES proposal writers who had little background in the compleixities of in-plant intervention."

Despite its uneven start, the SIS project did succeed in developing a service model which was widely received among Ohio employers and was able to build a small backlog of requests for service. Significantly, the service approach, which began with a focus on upgrading, shifted (much like that of ITS in Newark and the SUIC in Cleveland, to broader responses to the manpower management problems of industry.

In their report documenting the SIS project and summarizing the four years of upgrading work accomplished by the New Jersey and Columbus projects, the Shelley researchers concluded that those mechanisms delivering discrete upgrading programs like HIT as their only or primary objective really only scratched the surface in getting at the problems which impinge on the employer's efforts to improve the lot of the "working poor." One thing they did accomplish was to demonstrate that what employers really wanted, but for some reason were not getting, was professionally competent assistance in identifying and resolving their manpower-related problems.

> The experimental upgrading programs met with substantial resistance in marketing, despite offers of significant incentives. Management officials apparently had difficulty in separating upgrading from the company's total manpower process, and while they were able to identify a wide range of manpower related problems, they did not feel upgrading was the appropriate response in most cases. Despite the fact that employers were not receptive to the upgrading concept, they were able to see that some of their frims' manpower problems might be ameliorated by a flexible application of "upgrading techniques." Since employers wanted this kind of help, they were often willing to agree to "token" upgrading (change in title, minimal raise in pay) in order to be able to take advantage of the services of upgrading demonstration programs.[7]

What emerged from this series of upgrading experiments was the realization that the acceleration of upward progression within an internal labor market presents a complex, multifaceted problem.[8] According to the Shelley researchers, the term "upgrading," and the limited concept it originally represented, has outlived its usefulness. Upgrading "should have continued to be considered a theoretical construct which was artifically separated from the manpower process in order to facilitate experimentation with various training and analytical techniques."[9] What is really needed, they suggest, is a more comprehensive approach designed to encourage the creation of an "upgrading environment" and "to develop a broad approach to improving company manpower management systems."[10] This, of course, was one of the primary objectives of the USU-MDS project.

Because the Columbus and New Jersey upgrading projects had clearly demonstrated a considerable need for and substantial benefits to be gained from providing manpower

services through the employer to the employed workforce in the workplace, the Shelley researchers recommended further testing and the ultimate adoption nationally of a model employer services program which would be housed in the state Employment Services. The recommended program of manpower services outlined for the units went considerably beyond the limited upgrading assistance provided as part of the Columbus SIS project. The Shelley recommendation was made, notwithstanding the considerable problems experienced by the Columbus unit (many of which were directly related to its location in the Employment Service). They saw the provision of technical services as a way to revitalize the Employment Service and to positively impact on the willingness of employers to support the placement objectives of the ES. Hence, they were led to say that the Employment Service "drawing upon its present capabilities, with only minor modifications to existing salary structures, and supported by a strong staff training program" could "mount an effective in-plant problem analysis and manpower services program as part of a comprehensive employer technical services effort."[11]

While strongly in favor of the ES model as a delivery system for manpower services to the employed workforce, the Shelley researchers did acknowledge one of the primary stumbling blocks to the adoption of their recommendations and a major weakness in their proposed model. The services to be delivered, while desired and needed by employers, would not be a primary function of the designated delivery agency

and hence not likely to receive the attention and support deserved and needed if they were to be successfully implemented. "There appears to be little interest on the part of federal Employment Service officials in substantially increasing resources and staffing for the expansion of program areas not directly related to the placement function."[12] Their judgment appears to have been borne out in the intervening time since the publication of their report in 1973, as evidenced by the subsequent demise of all innovative employer industry services programs sponsored by the USES.

5.3.6 Other Upgrading Experiments

In addition to the foregoing upgrading projects briefly reviewed, there were a number of other related projects funded. A good deal of the work has been carried out by the Humanic Designs Corporation (successor to the Skill Achievement Institute), the New Careers Systems Institute, and the Institute of Public Administration. For the better part of a decade these organizations have functioned as laboratories charged with developing upgrading technology and seeking to find answers to the more difficult structural constraints which have limited the impact of upgrade training programs or impeded their acceptance by employers. The reader is referred to the Manpower Administration's summary upgrading monograph and the project reports of the various projects for a more detailed account of the work carried out and the findings arising therefrom.

Among the more salient findings of these other projects, which have a bearing on the objectives of this USU-MDS project, are the following:

> Employers still regard the development of their low income employees as a desirable, but not necessarily important objective in comparison to other corporate goals.
>
> In large firms manpower itself is more often than not an afterthought rather than a central concern at the corporate level. When Manpower problems occur they are seen as a temporary crisis to be resolved; effectiveness...does not normally lead management to place greater stress than before planning and prevention, in order to avert future crises...Only when one or more key persons at the top of the corporate heirarchy shares this concern are manpower programs likely to receive the focus which they require to be effective.
>
> Much of the work on internal labor markets in the past has been overly mechanistic in its approach, focusing on occupational structures and specific program inputs, to the neglect of organizational dynamics, the role of leadership, decision-making processes involving manpower goals and priorities, and related questions. As a consequence the inventory of usable manpower methods to improve upgrading performance in organizations, particularly in the private sector, is still severely limited.
>
> The turndown in the economy (which occurred in 1970-71), rather than severely hampering upgrade efforts, has to the contrary encouraged corporations to focus increasingly on the utilization and effectiveness of their present workforce. In this context, there is considerable receptivity to upgrading and other programs designed to enhance productivity and more effectively utilize the enterprise workforce.
>
> While there are no immediate large-scale expansions in the labor force of a firm participating in upgrade programs during an economic downturn, these activities lead to promotion of present employees, many of which are blue collar and disadvantaged. Furthermore it is expected that new openings for the hard core disadvantaged--with much greater opportunity for upward mobility within the internal labor market--will follow the end of the economic downturn.
>
> During an economic downturn companies become increasingly resistant to engaging in programs solely directed to the

employment of the "hard core" disadvantaged. However, they do not view upgrade programs in this perspective because of their belief that present employees would benefit as well.

Contrary to the view that there are almost insurmountable barriers imposed by occupational structure, there are considerable promotion possibilities even within flat occupational structures. Hence, the number and variety of upgrade model designs, even under these structured constraints are numerous.

Based upon the types of barriers to upgrading encountered in private industry and functions needed to be performed there is need for an external "catalytic agent" to facilitate their acceptance and utilization of these programs.

The nature of the barriers to upgrading program acceptance by employers and the complexity of the tasks of diagnosing internal manpower and training problems and designing upgrading programs or other appropriate solutions thereto, clearly imply the need for very competent consulting services operating out of suitable organizational bases to work with employers.[13]

5.4 University Extension

In addition to the well-known cooperative extension activities in the field of agriculture, which are financed primarily by the federal government and delivered through the nation's land-grant universities, there are a number of institutions of higher education throughout the country which provide some forms of business extension services. Unfortunately, there is little published material available which describes their work in any detail. From the smattering of information that could be obtained, it appears that most of those institutions providing business extension services do so through "Management Institutes," which put on a multitude of short training courses on various topics for small businessmen and for supervisors and managers of larger organizations.

Most of these courses are off-the-shelf, pre-packaged, non-credit courses taught on the main campus and at various locations throughout the respective states. The courses are typically taught by moonlighting university or college faculty on an overload basis. Very little attempt is made to tailor the courses to the specific needs of individual businessmen or employers. Usually the courses are open enrollment; they are advertised and employers can attend or send their employees to course if they feel it will be of some value. Occasionally, an existing course may be "adapted" to meet a special request from a very large employer who wants a program put on for his own employees.

In a few states more specialized extension units have been established. For example, the New York State School of Industrial and Labor Relations, a contractual unit of the State University of New York located at Cornell University, has an extension mandate for the state of New York in the field of industrial and labor relations. Consequently, area extension offices have been in Buffalo, Albany, New York City, as well as in Ithaca, to develop and conduct seminars, workshops, and credit and non-credit courses for employers and unions in the respective districts. Most of the activities in industrial and labor relations centers closely resemble, in format if not in content or clientele, those provided by the typical management institutes. Many of the IR centers also carry on research and publication programs and attempt to provide information and education regarding new developments and trends in the field.

Any consulting services made available through universities with either of the above types of extension units are typically individually arranged between faculty members and business firms, public agencies or trade unions. Occasionally, a management institute may serve as a referral agency to identify a faculty member who is qualified to perform the type of work needed. However, this appears to be more the exception than the rule. The consulting work is performed on an extra-time basis for mutually agreed upon fees. Typically the work is done for medium and large organizations which are most capable of affording their services.

At least one university, the University of Missouri (which is a land-grant institution), has a full-blown business extension service which operates much like the cooperative agricultural extension service. The University of Missouri has a regular staff of extension field agents who work with business firms throughout the state. In addition, like their agricultural extension counterparts, they have a range of subject matter specialists (e.g., finance, marketing, production) attached to the various departments in the College of Business on the main campus in Columbia. These professors, who have part of their salaries paid by the Extension Service, provide additional consulting expertise to help resolve the more difficult and complex problems identified by the business extension agents. The services are free to employers in the same way that the farmers and agribusinesses receive advisory assistance through the cooperative extension service. Equally

important, the assistance is not provided on an overload or moonlighting basis, but as a regular part of the assignment of the professional staff.

While MDS staff were unable personally to evaluate the effectiveness of the Missouri extension program (and no published evaluation studies exist), those associated with it, or who were observers thereof, felt it was an important and useful component of the university and was contributing substantially to the welfare of the state's business community and citizenry.

5.5 Michigan State University Operation Hitchhike

A very interesting variant of the university extension model which has been extremely successful in providing manpower services to rural areas is one developed at Michigan State University. The approach used in Michigan is a hybrid; an unusual cross incorporating some of the elements of the Employment Service Industry Services concept coupled with elements of the land-grant college cooperative extension service. The justification for developing the unique MSU manpower advisory service was a grant from the U.S. Department of Labor (DOL) under the Operation Hitchhike Program. This was part of a substantial effort by the USDOL/USES/Rural Manpower Service to develop more effective ways of delivering manpower programming in rural communities.

The DOL strategy employed was to contract with the state Employment Service which would then subcontract with an existing rural institution already servicing the rural

area. The existing institution was to assist delivery or otherwise provide employment services to the area. Seventeen states were provided with "Operation Hitchhike" (as the program came to be called) contracts to test variations of the strategy.

In Michigan the "existing rural institution" selected for the Operation Hitchhike contract was the Michigan State University Cooperative Extension Service (MSU/CES). The MSU/CES is a traditional extension service with the usual range of programs focusing on agriculture, home economics, 4-H youth, resource development, and marketing assistance of agricultural commodities. The Michigan Employment Security Commission (MESC), as prime contractor for the USDOL/USES, subcontracted with the MSU/CES for part of the rural manpower programming to be provided to three rural counties.

Fortunately, Professor James Booth of the Agricultural Economics Department at MSU documented and evaluated the Michigan State University Operation Hitchhike program. His efforts, which have been written up in several articles and reports referenced below, are relied upon heavily for the following description and information.[14]

Interestingly enough, the provision of human resource advisory services to individual firms was not a major feature of the initial activities of the MSU/OH project. The model implemented in Michigan called for the MESC to station placement specialists in the rural counties to take job orders, to interview applicants, to make referrals to jobs,

and to make referrals to training programs or arrange on-the-job training contracts. In essence, the original intent was for the Employment Service to provide the classic labor exchange functions in a one- or two-person miniature office.

MSU/CES employed three manpower agents, who had formerly been 4-H specialists, and assigned one to each of the three rural counties. Their job functions were to increase community awareness of manpower needs and programs, to increase the flow of applicants and job orders to the mini Employment Service office, and to help integrate the employment office in general into the economic mainstream of the community. The MSU-OH agent was also supposed to survey the training needs of employers, inventory the manpower resources of the community, and help the community and the schools utilize this information in developing programs to respond to human resource needs. The contract also mentioned the role of communicating research results to the agencies and employers of the community.

The program operations of the MSU/OH were undertaken in the context of high unemployment (averaging above 15 percent). Consequently, it was determined that the most important work for the manpower agents would to be initiate outreach to employers; and it was in this context that the development of advisory services to rural employers was conceived. The reasons for this emphasis is described by Professor Booth:

> As the OH project continued, it was apparent that most of the skill development in rural communities would take place on the job site and not in institutional training classrooms or laboratories. The skills of

> rural firms' executives, managers, and supervisors were critical in creating good learning environments for workers.
>
> Poor job instruction and work site supervision are particularly disadvantageous to the employee who is the least apt on-the-job student. This disadvantaged worker facing a poor learning environment, is more likely to be confused, frustrated and nonproductive in the job. His observed instability and limited establishment of a "career" are in part a product of the limitations and inadequacies of the communication, teaching, and supervising skills of management.
>
> Rural managers and supervisors are often self-taught and have not had formal management education. The companies are usually small and rarely have formal training staff or programs. Often times, the firms grow up around the personnel so there aren't even models of successful managers or supervisors to learn from. Management by instinct has its advantages, but also its disadvantages.[15]

As a result of this growing awareness of the training needs of rural employers, the MSU/OH manpower agents were given special training to equip them to organize and teach several management training workshops in their respective areas. The first workshop emphasized the functions of planning, organizing, directing, coordinating, controlling, motivating, and communicating. The second workshop, entitled "Motivation for Profit," stressed human resource management, management styles and systems, responding to change, matching job needs and psychological needs, job training, job enrichment, and managing by objectives. The response to the two basic workshops was overwhelming with over 6000 Michigan managers participating in the two-year period ending in late 1974. The success of the first two workshops led to the development of a third unit entitled "Planning and Financial Management" which was equally well received.

From the base of educational programs, the MSU/OH manpower agents expanded their efforts to provide additional educational workshops (e.g., supervisory training and special workshops for managers of very small management units) and special presentations to managers on topics that concerned them (e.g., alcohol and drug abuse, OSHA, Affirmative Action, changes in wage and hour legislation, etc.).

The third and most important type of activity undertaken by the MSU/OH manpower agents was to provide advisory and consulting assistance directly to private and public employers in the rural areas. The manpower agents were called upon to work with specific managers in helping them identify and resolve their human resource problems. Examples of the services provided include arranging for or conducting specialized types of in-service training, developing labor market information specific to a firm's needs, helping management with problem identification activities, providing assistance in techniques of personnel management, providing references to personnel materials, and identifying resource persons a manager could contact.

According to Professor Booth, the role of the agent as training consultant to rural indsutry was most important and, therefore, its use should be stressed.

> Qualified, experienced trainers or training directors in industry are scarce and valuable commodities. Small rural firms can't affort nor do they have need for a full-time specialized professional trainer, but they do need access to assistance about specific training needs.[16]

The three types of manpower services provided by the MSU/OH program were essentially free to the recipient public and private employers. Firms and agencies were asked only to absorb the costs of the materials for the training programs as the tradition of the cooperative extension service is not to charge fees for service.

A number of cogent arguments have been set out by Booth to justify this policy:

> First, there is a long history of selective investments in rural development to strengthen rural areas and avoid over aggregation of populations in urban areas. Management advisory assistance is capacity building and should improve both the consumer services available in rural areas, and the productivity of the rural economy thereby improving the quantity and quality of the employment opportunities.
>
> Secondly, as a society we are generally committed to educational subsidies, and increasingly we are making available life-long educational programs. For rural adults who are developing and being promoted into new roles, few educational needs are greater than those skills they need in responding to management situations.
>
> The provision of rural manpower advisory services at full-cost could involve considerable transaction and marketing costs of the service. Educational experiences aren't like razor blades or toothpaste in that once a product is sampled, it will be used again and again. For these free samples or TV ads to introduce items to be repeatedly used can be a small overall cost and easily recovered. By definition each educational experience must be a pioneering experience for the audience. Until a tradition of educational use or investment is developed, the marketing costs are too large for full-cost pricing to clients.
>
> Thirdly, management and supervisory skills are general rather than specific, and except for the self-employed the case for public subsidy of skill development of a general nature has been well-established in the human capital theory.
>
> Fourth, the least apt workers suffer most in poor learning and management environments. If this statement

> is valid, although the management advisory audience may be the relatively well-advantaged manager and supervisor, an important beneficiary will be the slow learners or volatile worker who suffers irregular employment. Public investments on behalf of these groups is presently a major manpower and welfare funding item.
>
> Fifth, the social cost of business failure in a rural area is high. When failure is avoidable, so are its costs to workers, creditors, and investors. This is especially important in the shallow labor demand of a rural labor market where failure of even a relatively small or medium sized business can have great impact.
>
> Sixth, much of industrial assistance (loan subsidies, provision of site and facilities, tax exemptions, etc.) are suspect as only favoring a relocation or transfer of activity from one locality to another. There are losers to offset the winners. Management advisory services have the potential of eliminating frictions and waste and can result in a net gain to society.[17]

In evaluating the success and value of the unique manpower advisory service activities carried out under the MSU/OH program, Booth indicated that they were not studied in isolation of other manpower agent activities on their impact on employment service totals. He reported that the total involvement of the MSU/OH manpower agents was quite positive on the employment service placement totals. He estimated "a 20 to 30 percent increase compared to control groups." Furthermore,

> ...the agents have delivered a diverse set of activities to audiences of agencies, employers and individual applicants over a multi-county region. They have operated effectively we believe, on the interface of these three groups. Unfortunately, the range of audiences and activities make benefit-cost analysis beyond the scope of available resources.[18]

Two other indicators of the value of the program were the unusually positive reactions to the program, as indicated by persons receiving the services, and the high level of enthusiasm and commitment exhibited by the MSU/OH manpower agents.

The receptivity and success achieved by the MSU/OH program provides substantial independent evidence which strongly affirms the hypotheses set out for testing by the USU-MDS project and the results obtained herein. The only unfortunate note arising from an otherwise successful venture was that in late 1974 both the MESC and MSU/CES respectively saw fit to downgrade the program due to the financial stringency and overall narrowing of their missions. The MESC downgraded the use of employer services as a strategy of building placement totals and withdrew resources from the program. The MSU/CES, which was left without a partner or adequate resources, began emphasizing serving agriculture and local officials in policy education. The fact of the matter is that the MSU/OH program, which was one of the most innovative and successful experiments in delivering manpower services to rural areas, is now defunct.[19]

5.6 Foreign Experiences

The provision of manpower and training advisory services to employers and the employed workforce by governmentally sponsored agencies abroad, unlike the situation in the United States, is widespread. Since the start of the USU-MDS pilot project in July 1972, the development and expansion of these activities in other countries have continued apace.

In Great Britain, a national system of Industry Training Boards (ITBS) was created in 1964 to provide for the training of all young entrants into the labor force. A major reorganization of the national system was effected in Britain under

the Employment and Training Act, 1973. The primary objective of the new legislation was to bring about the closer coordination of the various components of the nation's manpower system. A governmental body, the Manpower Services Commission, was created on January 1, 1974 to run the Employment Service and the Government Training Centers previously operated by the Department of Employment and to advise the government on broad manpower policies. The Commission also assumed powers relating to the Industry Training Boards (broadly similar to those previously exercised by the Secretary of State for Employment), and the ITB system was substantilly modified. A shift was made away from reliance on a levy-grant system toward placing greater emphasis on the provision of training and manpower management advisory services to employers by the Industry Training Boards.[20] Also, the work of the ITBS is being coordinated with the government manpower training programs (Training Opportunities Scheme) designed to assist in the retraining of redundant and disadvantaged workers.

In 1967 the Republic of Ireland established ANCO, the Industrial Training Authority, patterned after the British Industry Training Board system. ANCO was created to supervise the development and operation of a national industrial training system. In 1974 a senior MDS staff member was asked to come to Dublin and assist ANCO in the development of a manpower and training advisory service as part of the new system. More recently, ANCO officials have inquired about the possibility of sending some of their staff to visit USU-MDS to obtain additional information and exchange ideas.

SENA, the national manpower and training agency in Colombia, has also created a small firm consulting service. As mentioned in Chapter 2, the former associate director of MDS is now employed by the International Labor Office and is currently working on a United Nation's financed project to help develop this agency. In 1974 the director of the SENA Small Firm Consulting service and several senior ILO officials visited Logan for two days to observe firsthand the work being carried out by USU-MDS. In the fall of 1975 USU-MDS was again contacted by SENA officials to ask if they could send three members of their staff to Logan for a specialized twelve weeks training course for Human Resource Consultants which could be developed and run by MDS. This program is scheduled to start in April 1976.

The British Industrial Training Service, with which MDS has maintained close contact over the past four years, is currently engaged in helping the Nigerian Industrial Training Fund develop a manpower and training advisory service as part of that nation's new industrial training system. The British ITS is also performing a similar service in Hong Kong.

Much closer to home, a 1973 Task Force on Industrial Training convened by the Provincial Ministry of Labor in Ontario, Canada, recommended that "Employer Centered Training Divisions" be established at colleges of applied arts and technology throughout the province. Manpower and training advisory services will be provided to employers by these units as an integral part of the new provincial system of industrial training.[21]

Finally, the National Manpower and Youth Council in the Philippines is creating a national industrial training system patterned somewhat after the British ITB system. In the fall of 1975 the Philippines government sent a staff member of this agency to Utah State University to obtain information and assistance which might be helpful to them in planning their new system. It is anticipated that one of the major components of their new training system will be a manpower advisory service.

Still another dimension of the foreign efforts to provide manpower management advisory services is indicated by the incorporation of these activities as a major part of the productivity centers, institutes, and agencies that have been established in many nations abroad during the past two decades. Interestingly enough, many of these productivity centers were started with financial assistance provided by the United States through the Marshall Plan and Second Mutual Security Act of 1952. While all of the centers are concerned with economic growth and development, more and more of them are also becoming increasingly concerned about the problems of manpower management and training, such as those in Norway, France, and Israel, and are emphasizing the problems concerning the human factor and human welfare.[22]

The international interest in the development of manpower advisory and consulting services as part of the national manpower systems is further illustrated by the request made in 1974 to have two senior MDS staff members direct a two and one-half day seminar on the role and functions of manpower advisory

services as part of the national manpower policies. The seminar was conducted as part of the Third International Conference of Manpower Training and Development held in Oslo, Norway, August 26-31, 1974. Twenty-five participants from thirteen countries were present to share ideas and gain new insights. The conference experience indicated that governments in foreign nations have a much clearer perception of the need for and value of these services in terms of human resource development, economic development, productivity, and the quality of working life than is present in the United States.[23]

Chapter 5

FOOTNOTES

[1]Discussions were held with Earnest Leake, Director of San Antonio District; and with C. R. Larpenter, State Supervisor of Industry Services and Testing.

[2]Industrial Services Handbook (Washington, D.C.: U.S. Department of Labor, Manpower Administration, 1970); Handbook for Analyzing Jobs (Washington, D.C.: U.S. Department of Labor, Manpower Administration, 1972); Suggestions for Control of Turnover and Absenteeism (Washington, D.C.: U.S. Department of Labor, Manpower Administration, 1972); A Handbook for Job Restructuring (Washington, D.C.: U.S. Department of Labor, Manpower Administration, 1972).

[3]Skill Achievement Institute, Upgrading the Underemployed in the Work Environment (Lake Success, N.Y.: 1969).

[4]Improving Opportunities Through In-plant Training (Cleveland, Ohio: Skill Upgrading in Cleveland, December 1970); Final Report: Advanced High Intensity Training (AHIT) (Cleveland Ohio: Skill Upgrading in Cleveland, January 1972); Upgrading: Three Years Experience in Cleveland (Cleveland, Ohio: Skill Upgrading in Cleveland, January 1972).

[5]Industrial Training Services, New Jersey Department of Labor and Industry, The Employment Service Trains and Upgrades the Low Skill Workers (Newark, N.J.: 1970).

[6]Arthur W. Kirsch and Ann L. McLeod, Manpower Services in the Workplace: An Employer Technical Services Program for State Employment Service (New York: E. F. Shelley and Company, Inc., 1973, p. II-3.

[7]Ibid, pp. I-5, I-6.

[8]Ibid, p. I-4.

[9]Ibid.

[10]Ibid, p. I-5, I-6.

[11]Ibid, p. I-3.

[12]Ibid.

[13]New Careers Systems Institute, Phase II - Upgrading Models in Industry--1st Year Operations (New Brunswick: N.J. March 1972).

[14]James H. Booth, "The Rural Manpower Agent as a Human Resource Advisory Service" (paper presented at the Third International Conference on Manpower Training and Development, Oslo, Norway, Aug. 30, 1974); James H. Booth, "Operation Hitchhike, Manpower Planning, and Economic Development," Manpower Planning for Rural Jobs in America. Proceedings of a Conference, Dec. 14-15, 1972 (East Lansing: Michigan State University, 1973), pp. 160-172. See also: Michigan Operation Hitchhike--A Cooperative Effort in Rural Manpower Programming Between Michigan State University and the Michigan Employment Security Commission. Final Report, 2 vols. (East Lansing: 1975).

[15]Booth "Rural Manpower Agent," p. 4.

[16]Ibid, p. 7.

[17]Ibid, pp. 7-9.

[18]Ibid, p. 9.

[19]Telecon with Professor James Booth, November 1975.

[20]Great Britain, Manpower Services Commission, Annual Report 1974-75 (London, 1975). Henceforth, the National Manpower Commission will provide funds to the 23 ITBs and 1 statutory training committee to meet all operating expenses as well as grants in support of key training activities. By reimbursing operating costs, the Commission will be able to support the development of the Boards' advisory services. The provision of grants is intended to encourage such key activities as the training of technologists and technicians and the formation and development of group training schemes where it is felt they are needed but would not otherwise be established. The previous levy/grant system (under which the Boards had the duty to raise a levy for distribution in the form of training grants) has been replaced by a levy/grant/exemption system under which Boards must exempt any firm which trains its workers adequately (with standards set by the Boards) to meet its own present and future needs.

[21]Government of Ontario, Ministry of Colleges and Universities, Manpower Training Branch, Training for Ontario's Report of the Task Force on Industrial Training (Ontario, Canada: Government of Ontario, 1973), pp. 109-120.

[22]The National Commission on Productivity and Work Quality, Productivity Centers Around the World (Washington: May 1975).

[23]The proceedings of this seminar will be published in the near future.

6. MANPOWER MANAGEMENT ADVISORY SERVICES AND NATIONAL MANPOWER POLICY

6.1 Introduction

The experience of the Utah State University-Manpower Development Service (USU-MDS) from 1972 to 1975 and the findings of upgrading research projects and other related evidence discussed in the preceding chapters of this report suggest both the need for and some of the benefits which can be obtained from providing analytical and technical consulting services to employers to help them identify and rectify problems in their firms' manpower management and human resource development systems. Furthermore, the experience of USU-MDS and the growing body of evidence from throughout the nation have demonstrated that few community-based manpower agencies have the analytical and training skills necessary to deliver the needed manpower services. Most manpower agencies do not have the experience, flexibility, or breadth of perspective necessary to effectively and substantively assist employers in developing their workforces--including those members drawn from the ranks of the disadvantaged.

The university-based model (as exemplified by USU-MDS) has served as a very effective vehicle for delivering a broad spectrum of manpower services to employers and the employed workforce, and to other public manpower agencies. The model has also demonstrated some of the additional benefits which

can be obtained by bringing into a positive complementary relationship the manpower program activity for the disadvantaged and underemployed developed under CETA with the industrial training and manpower management programs of employers and the emerging concerns over productivity and the quality of working life.

The need for manpower advisory services by public and private employers is documented as part of the findings presented in Chapter 3. This conclusion is strongly supported by the findings of the related upgrading experiments, as discussed in Chapter 5. Additional support is provided by the Michigan State University/Operation Hitchhike (MSU/OH) program which independently identified a substantial need for manpower advisory services. The MSU/OH project demonstrated that another variation of the university-based delivery system can be succuessful in meeting the substantial manpower management needs present in a rural environment as well as in assisting the Job Service to increase its effectiveness. When taken together, the findings of these five demonstration projects provide a significant body of evidence to substantiate the body of literature generated during the past decade which has pointed out the need for and strongly urged the adoption of measures to provide publicly supported manpower advisory services on a broad scale in America as part of the efforts to improve training and manpower management practices in industry and government.

The case for manpower and training advisory services was set out most forcefully by the presidentially appointed Task Force on Occupational Training in their report published in 1968.[1]

The Task Force concluded that the lack of advisory assistance constituted one of the most serious barriers to training and recommended that the federal government undertake a "comprehensive program for technical assistance to employers in setting up and improving training programs and promotional activities designed to increase and improve occupational training in private industry."

> In addition to the economic barriers to training, many employers fail to train because of lack of understanding of the need for, and value of training programs in their operations. Also, small and medium-sized firms, particularly, may lack training expertise. A major program of technical assistance and promotional efforts would provide advice to employers concerning the techniques, administration and planning of training programs in industry. The services provided should cover all skill levels and include assistance in the specialized problems of providing work preparation to the disadvantaged and hardcore unemployed. The program should include the establishment of a clearinghouse for information on training programs and methods.[2]

The importance and value of advisory services in coping with national economic problems was also pointed out by a group of researchers from the Urban Institute who stated that the provision of manpower and training advisory services to employers must be an essential component of any serious program to reduce inflation and unemployment as well as part of any effective policy to assist disadvantaged workers.[3]

A second dimension of the need for the type of manpower advisory services provided by USU-MDS is illustrated by the deficiencies becoming increasingly evident in the operation of the Comprehensive Employment and Training Act (CETA) manpower training system. For example, at a recent meeting convened by the National Commission on Manpower Policy a number of speakers pointed to the inadequacy of CETA institutional and on-the-job

(OJT) training programs. Among other things, there is a need to develop compentecy-based training--that is, training built on the actual work to be done. Also mentioned was the fact that in delivering services to rural areas most states and local prime sponsors lack the technical capability to design and implement rural manpower programs.[4] The experience and observation of USU-MDS during the past year confirms the accuracy of these comments. Unfortunately, many of the so-called "Training" programs under CETA (particularly OJT) appear to contain very little that can be described as good training.

According to former Secretary of Labor John Dunlop, part of the problem with CETA training programs stems from their virtual isolation, both in spirit and interest, from the mainstream of industrial training and manpower management practices being carried out in America. He believes that the disadvantaged and unemployed would ultimately benefit from a redirection of the present programs under CETA to serve "a broader spectrum of the labor force." His argument is that employers might be more attracted to a broader-based program, "thereby providing more job opportunities for the disadvantaged and unemployed."[5]

A third dimension of the need for manpower advisory services is indicated by the growing literature and activity now being generated over the issues of productivity and quality of working life. This is exemplified by the 1973 Report of a Special Task Force to the Secretary of Health, Education and Welfare, entitled Work in America, and the 1975 study Work, Productivity, and Job Satisfaction sponsored by the National Science Foundation.[6] In 1972 Congressional hearings were held on the problems

of worker alienation.[7] A National Commission on Productivity was created in 1970 to focus public attention on the importance of productivity for the nation's economic health. Its mandate was broadened in 1974 to include efforts "...to help improve the morale and quality of work of the American Worker."[8] The recently published report of this Commission identified the need to develop and utilize the nation's human resources as a critical element in productivity improvement--which in turn is vital to the national interest.[9]

What is especially noteworthy is that nearly every one of the reports or studies dealing with the problems of productivity or the quality of working life have acknowledged the need for some kind of publicly sponsored delivery system to help meet the needs identified.[10] Basil Whiting of the Ford Foundation, in testimony before the Senate Committee on Government Operations in support of the bill to create a permanent National Center for Productivity and the Quality of Working Life, presented a well reasoned and convincing case in support of the need for a federally supported delivery system to facilitate the accomplishment of the important goals of improving productivity and the quality of working life.[11] Equally cogent arguments were set out in the 1973 Report of the Forty-third American Assembly.[12] And John Case hit the nail squarely on the head when he said:

> Imagine for example, a "work reorganization and productivity" program. The Department of Labor (or comparable state agencies) would set up teams of consultants trained in the techniques of restructuring jobs. Much like county agricultural agents, the teams would provide direct technical assistance in restructuring work procedures to any company, union, or group of workers requesting it.[13]

Given the demonstrated need for manpower advisory services and the deficiencies in existing services (or lack thereof) as documented by this and other R & D projects and by an impressive number of reports and studies by knowledgeable individual and groups, is there sufficient justification for expending public funds in order to help provide them? If so, how should it be done? The answer to the first question is unequivocally "yes"--if one accepts the conclusion of the National Commission on Productivity that in order to maintain or increase our rate of productivity we must utilize fully the tremendous potential of our human resources. An affirmative answer is also axiomatic if we want to more effectively deal with inflation and unemployment as well as to successfully accomplish the goals for the disadvantaged and underemployed which are embodied in CETA. The expenditure of public funds to foster the delivery of manpower advisory services at the work place for these two purposes is surely as justifiable as funding the nation's agricultural extension service--and can become as vital a component in helping the nation's human resource development system meet present and future challenges as has the extension service in making American agriculture the most productive in the world.

How should manpower and training advisory services be organized and delivered to employers? On the basis of the findings of the USU-MDS project and the other relevant experiments, the authors believe that the university-based model as a delivery system for these services offers the most promise of all those tried thus far. The basic characteristics of the model, and its

relationship to other manpower programs and national manpower policy will be described in the following sections.

6.2 A Proposed Model for Providing Manpower Advisory Services to the Employed Workforce

The model proposed for a Manpower Advisory Service (MAS) envisions one or more teams of highly competent manpower management/human resource development professionals operating out of a college or university in each state or region which would be capable of providing on a regular and systematic basis the following range of services:

1. Provide a full range of diagnostic and consulting assistance to public and private employers within the state or region to help them identify and rectify their manpower management and training problems.
2. Initiate and maintain an active outreach program among public and private employers within the state or region to disseminate and encourage the adoption of concepts, techniques, and methods which will contribute to the improvement of productivity and the quality of working life. Follow up assistance would be provided to those organizations requesting it.
3. Encourage the adoption and development within public and private organizations of upgrading, upward mobility, and other models--techniques or programs which will lead to an increase in the opportunities for development of the disadvantaged and underemployed.
4. Serve as a systems consultant or catalyst to those agencies directly concerned with the development and implementation of manpower programs under CETA (local

prime sponsors, Job Service, and other related manpower agencies, and employers) to help them more effectively coordinate and carry out their activities as they plan, develop, and implement those manpower programs for the disadvantaged or other client groups which will impact upon employers, the employed workforce, and internal labor markets.

5. Develop close working relationships with local and state Job Service Employer Relations staff in order to coordinate the provision of manpower services to employers by the MAS with the job placement efforts of the Job Service, and through such means help improve employers' images of the Job Service and increase placements thereof.
6. Serve as a manpower extension service by disseminating to employers on a regular, systematic basis (and in practical ways through direct consulting services, workshops, short courses, media releases, and other forms of communication) research and demonstration findings and other relevant information arising from federally sponsored manpower research as well as from all other appropriate sources which would be of interest to them.
7. Encourage and assist the introduction into the curriculum of area business schools, and in other training programs for present and future managers sponsored thereby, of concepts and techniques which would generate an awareness and understanding of and, hopefully, a commitment to accept and/or participate in programs of human resource development which are vital to the

future well being of our society, namely: a) programs to improve manpower utilization and productivity; b) public manpower programs for the disadvantaged; and c) programs to enhance the quality of working life.

8. Provide, through internships and other appropriate means, practical training in the techniques and skills needed to function as HRD professionals to those persons needed to work within the MAS system and those who can utilize these skills for the benefit of other organizations and society at large.
9. Provide whatever assistance and expertise that might be appropriate to employers, employees, and employee organizations, in order to help foster and develop programs designed to facilitate the transition of youth from school to work and to increase opportunities for recurrent education among the employed workforce.

6.3 Location of the Manpower Advisory Service

The staff of the MAS unit should be located in a College of Business (or other appropriate academic unit), preferably at a land-grant university or other institution with a comparable tradition of linking programs of applied research and public service. The staff should be made up of several persons functioning as full-time professional manpower management/human resource analysts or advisors, with several academic staff members in appropriate disciplines (manpower economics, industrial psychology, industrial engineering, technical education, organizational behavior, etc.,) attached to the unit on a full- or part-time basis.

The model developed by the Cooperative Extension Service in the land-grant universities, which locates extension personnel with subject matter specialities in the academic departments, has proved to be an effective way of linking the research competence of the College of Agriculture with the means to disseminate the new ideas through extension specialists and county agents to the farmers and agribusinesses, and at the same time to relay back to the researchers the problems needing their attention and expertise. The USU-MDS experience has demonstrated that this approach is equally viable in the area of manpower and human resource development. The proposed MAS model would function along the lines now practiced by USU-MDS: the professional MAS field staff would carry out an active outreach program which would include working closely with the Job Service Employer Relations Representatives, other local manpower agencies, and any other potential source of referrals, to identify employers and organizations in need of assistance; and those manpower problems experienced by organizations which need the attention and assistance of the MAS staff and/or university researchers would be identified. The adoption of new ideas, good manpower management practices and desired public policy objectives would be fostered among employers in the same manner through the efforts of the MAS field staff as they perform their diagnostic and consulting work.

6.4 Justification of the Proposed MAS Model

There are a number of reasons for selecting the particular model outlined over the other alternatives which have been tried and which could be proposed. The most important reason for

selecting this model is that it has proven itself to be a viable and successful delivery system, and one which does not have the serious defects several of the other alternative experimental delivery systems have shown. Furthermore, the USU-MDS experience has indicated that this model holds a great deal of promise as a means of providing something which none of the other models appear capable of providing: a mechanism by which an existing gap in U.S. manpower programs and policy may be successfully closed.

The proposed university-MAS model would bring together in a new and positive relationship a number of currently isolated and fragmented manpower programs, concerns, and institutions. It would establish a vehicle for initiating constructive interchange between the academic community in general, and the business school in particular, with the rather limited and exclusive world of public manpower programs and planning, the neglected areas of employer manpower management and industrial training concerns and needs, and the vital new areas of public concern: productivity and the quality of working life.

While not treated as such, all of these areas are related, and activity in any one of them invariably impinges upon the others. Yet, at the present time, they are either treated as independent and exclusive concerns of those groups having jurisdiction over or having an interest in the area, or completely ignored. There have been virtually no efforts made to identify the common areas of concern or to establish a meaningful relationship between them. The USU-MDS experience suggests that such efforts are both appropriate and urgently needed if the nation

is to rationalize its human resources policy and effectively cope with the current pressing problems of human resource development.

Specifically, the proposed model is very flexible. Unlike some of the alternatives, the university has proven to be a fertile environment for innovation and the introduction of new ideas. The pilot demonstration projects have demonstrated that there would be considerably fewer bureaucratic constraints imposed on the MAS unit and its staff if located in this setting when compared to those located in state line agencies or CETA prime sponsors.

The university is an equally attractive site from the standpoint of the MAS unit staff. The intellectual and cultural environment, personnel policies, and levels of pay, make it possible to recruit, train and retain a highly competent professional staff. Some of the other possible sites where experimental upgrading units were located, such as the Job Service, have been severely constrained in this respect.

The university base has also demonstrated positive advantages relative to the image achieved with employers. This is particularly true of the land-grant institutions with their long record of public service. The neutral image of MAS advisors operating out of a university setting is especially important when dealing with sensitive personnel and manpower management problmes. Employers are very distrustful of government agencies, and especially so of those which might have a reporting or inspectorial function. This distrust has not been experienced by the USU-MDS when operating out of a university base.

One of the most important aspects of the location appears to be the institutional viability which it affords. On the basis of the experience of employer technical or industrial service units located in the Job Service and the upgrading R & D projects, it seems quite evident that a unit providing HRD advisory services should have the delivery of these services as its primary function--and not as a secondary or peripheral activity. In all of the aforementioned cases where the employer services were a secondary activity, the shifting of priorities and funding at state and national levels resulted in the downgrading or demise of these units--notwithstanding their demonstrated value and accomplishments. A land-grant university, by contrast, has the provision of such services as one of its primary functions.

The university-based unit, because it would not be part of an existing manpower planning or regulatory agency with a narrowly defined mission, clientele, or objectives, would have greater freedom and independence of judgment in determining what services should be provided, how they should be provided, and how they could be adapted to new and changing situations. There is less likelihood that the biases evident in some of the other manpower programs and service agencies would distort the objectivity of the MAS unit in making these decisions.

The university base, as noted above, affords an excellent opportunity to develop mutually beneficial relationships between the business and academic community. New ideas and techniques for eliminating internal labor market barriers and designing upward mobility systems to aid the disadvantaged and underemployed could be taught to business students, along with concern for and

practical techniques to improve productivity and the quality of working life. The close linkage between the operational MAS unit activities and the various academic programs of the university would provide an unparalleled opportunity to accomplish this objective. In addition, the opportunity is present to recruit and train students to function as HRD professionals by means of internships and other experiential arrangements. Through such means the stock of persons with a much broader, yet practical, training in HRD can be significantly expanded.

The proposed university-based MAS is probably the best and most logical setting in which the currently isolated yet essentially complementary interest, expertise and range of activities arising out of CETA sponsored public manpower programs, the manpower management concerns of employers, the problems of manpower productivity and effective manpower utilization, and concern for the quality of working life, can be effectively integrated and constructively dealt with on a systematic yet broad scale in the interest of the disadvantaged, the employer, the employed workforce, and society at large. Neither the experience of the upgrading employer services projects located in the Job Service or the rather narrow perspective and interests of the CETA prime sponsors and their manpower program contractors can lead one to recommend them as better alternatives to the proposed model in bringing about the successful accomplishment of this important objective.

Finally, the potential for not only developing new ideas and techniques, but of providing a mechanism for widely disseminating and fostering the adoption and utilization by the

employer community, both public and private, of these ideas and the substantial body of knowledge generated by research in the field is substantially greater with the proposed model. The land-grant experience offers an impressive example of the effectiveness of this extension mechanism. That system and the results achieved can be contrasted to the dissemination of information and utilization achievements, or lack thereof, in the field of manpower under the present arrangements.

6.5 The Proposed Model and National Manpower Policy

6.5.1 Relationship to CETA Manpower Programs

One of the first questions which could be asked is whether the delivery system encompassed in the proposed model is a manpower program as they are commonly defined? The authors of this report think that the answer must be in the affirmative--notwithstanding the skepticism which has been expressed by some. For example, the 1973 Comprehensive Employment and Training Act included the following features, all of which would be supported or addressed by the proposed delivery system: (a) explicit recognition of the importance of dealing with the low income worker; (b) stress on career opportunities as a goal; (c) need to develop measures of underemployment as well as unemployment; and (d) recognition of the importance of analyzing and reducing artificial barriers to occupational advancement.

These and other provisions of the law made an attempt toward correcting the previous imbalance in manpower programs which focused on the unemployed as substantially the entire manpower problem. Furthermore, Congressional interest in upgrading

and the needs of the employed workforce went beyond what the legislation itself shows. Some members of the House Committee on Education and Labor proposed that specific financial incentives be provided to employers to conduct pilot programs intended and designed to upgrade the skills, earnings and occupational status of their employees. Although the specific proposals for upgrading were not included in the final legislation, an agreement was made that the Manpower Administration would address the problems of the working poor within the internal labor market. The proposed MAS delivery system appears to be one of the few effective means by which this congressional concern can be addressed.[14]

Given the legitimacy and desirability of the services as expressed in the CETA legislation, the results of the Cleveland SUIC, Newark ITS, Columbus SIS upgrading projects, and Michigan State University OH Program all demonstrated that the type of services sought by employers and those which would be successful in meeting the needs of the underemployed and working poor were not narrow one-step upgrading programs, but a broader range of manpower services--such as those outlined in the proposed MAS model. This conclusion is strongly supported by the experience of the USU-MDS project. The R & D findings and legislative intent of CETA are more than sufficient to affirmatively answer the question of whether the proposed MAS model is in fact a manpower program.

While the above-mentioned upgrading projects clearly support the need for in-plant manpower services of the kind outlined in the proposed model (and there is a strong desire on the part of

employers to obtain them), some observers have questioned whether the results of upgrading programs will have a lasting impact. After an upgrading activity has been completed in a firm or organization, there may be a loss of interest on the part of the employer with a resultant regression from the level originally achieved--or at least no further progress beyond that level. This has led some observers to be rather skeptical of the value and long-term effects of these upgrading programs.

The USU-MDS experience has demonstrated why this happens and how it can be overcome. The problem is that most of the upgrading projects were designed to provide intensive hands-on intervention by outside consultants--during which the internal manpower systems were modified and specific upgrading concepts implemented. The external consultants then withdrew leaving the firm to fend for itself on the assumption that the work initiated would be continued and/or expanded by the firm. Under the circumstances the probability of a less than hoped for outcome is not surprising.

USU-MDS experience has shown that two vital ingredients to the successful long-term success of organized interventions of this type are: (1) the imparting to individuals within the organization of those skills, possessed by the external consultants, needed to design and implement such activities; and (2) the need to have sufficient organizational continuity to allow the external advisors to maintain some contact and involvement with the organization in the future. The continued contact (modest though it may be) is necessary to encourage, assist, and educate the target employers to maintain and expand their efforts

to improve their manpower management systems--including upgrading components. When this follow-up contact and continuing service has been available, there is considerably less slippage within the organization, and the possibility, if not probability, of continued improvement is much greater.

The USU-MDS experience provides a strong argument for establishing a permanent delivery system which can maintain sufficient contact with employers so that meaningful upgrading objectives can be achieved over the long term. While the USU-MDS findings do not directly address the problems of upgrading--narrowly defined--they strongly argue for a restructuring of the delivery mechanism for such services to take into account the realities of organization life.

Beyond the foregoing discussion on upgrading, however, there are a number of reasons for considering the proposed MAS delivery system as a desirable, if not essential, component of the nation's remedial manpower system. The work of USU-MDS has demonstrated that there exists a rather serious problem in the relationships between the manpower planning and program activities of the local CETA prime sponsors and employers--with detrimental consequences. Most of these prime sponsors are fully engrossed in their concern for the disadvantaged as clients and in providing pre-employment services (intake, counselling, training, supportive) for them. Consequently, they lack an understanding of employers, their manpower concerns, and the manpower and training problems faced within the firm. This lack of understanding contributes to reduced

effectiveness in developing realistic training programs and in finding suitable placement opportunities for the disadvantaged. Even more serious, it increases the likelihood of failure in achieving permanent placement and corresponding opportunities for development and upward mobility within the firm by those initially placed. The lack of sensitivity and expertise to deal with such problems appears widespread. It is quite clear that the "technical assistance and training" now being provided to local manpower planning staff under the Technical Assistance and Training (TAT) Program does not, nor, can we assume, is it intended to get at this problem. Such training, whether provided at the local or Employment and Training Administration (ETA) regional level is generally designed to enhance the ability of the local staff to "plan" and "administer" manpower programs.[15] This is as it should be. But what is not understood is that the local manpower planner and his staff are not--by virtue of their training or function--the appropriate individuals to deal with the substantive manpower management or training problems within organizations.

The same is true for most other personnel in closely allied manpower agencies. Consequently, there is need for the professional services of the proposed MAS unit to complement the role of the planners and client-centered manpower agencies. The assistance provided can help them bridge the present gap and insure the successful resolution of manpower development problems arising within the employing organization which are experienced by manpower program graduates after placement, as part of the training and placement process for them when carried out on the job.

Most community-based client recruitment and referral organizations are also ill-equipped to deal with the manpower management and training problems within organizations. Many of them are serving as alternatives to the Job Service in performing the recruitment, counselling, and placement functions. They do not possess the kind of skills or technical expertise--or rapport with employers--which the proposed MAS unit would have in dealing with job restructuring, training, or other complex manpower management problems of employers. Where such community-based manpower organizations are present, the MAS unit would cooperate with them by helping employers design and develop meaningful training programs and upward mobility systems to successfully accommodate the disadvantaged persons which these agencies have recruited and prepared for placement with an employer.

The availability of the proposed MAS unit with the capability of working with the manpower planners, the Job Service or other community-based client-centered organizations, holds the promise of substantially improving the retention rates and the training and development prospects of the disadvantaged once they have been placed within employing organizations; as well as substantially increasing the willingness of private employers to participate in manpower programs.

The USU-MDS experience has also demonstrated the great need of prime sponsors in rural areas for specialized manpower consulting assistance. Unlike their urban counterparts (although what is said goes for many of them too), rural manpower planners do not have the staff capability to address some of the more technical and difficult planning and program development prob-

lems they face. As a result, some have abdicated their responsibilities, while others have sought out whatever assistance they could obtain--little of which is now available. The experience of USU-MDS in working with rural manpower planners has demonstrated that the proposed MAS unit can serve them in a meaningful way.

The recently terminated MSU/OH program has demonstrated very effectively how an MAS can, in addition to its other functions, provide considerable support to the Job Service and materially increase the placements thereby. On the basis of the MSU/OH experience and that of the USU-MDS, the proposed model would provide a very desirable approach in helping the Job Service more effectively accomplish its primary objective of job placement. The advantage of this approach over placing the MAS unit in the Job Service, as demonstrated by the MSU/OH experience, is that it would not contribute to a further distortion or dilution of the job placement focus of the Job Service, with the likely result of not being able to successfully accomplish either the job placement functions or the objective of improving company manpower management systems.

Finally, the USU-MDS experience has shown that an MAS unit can, by virtue of its independence and demonstrated competence, provide unique forms of consulting and training assistance to the Job Service, CETA Manpower Planning staffs, and other manpower agencies themselves. These services are, for the most part, appropriate to the special needs of the groups and fall outside the forms of technical assistance and training provided by the Employment and Training Administration (ETA)

regional training centers or other existing off-the-shelf programs. The help provided can be tailored to the specific needs of the group requesting the assistance and draw upon the more sophisticated skills and competencies of the MAS unit developed through its extensive consulting work with employers and their workforces. In effect, the MAS unit, with the degree of independence and professional capability proposed, can serve effectively as a specialized training consultant or trainer for the CETA manpower system (manpower planners, Job Service and other manpower agencies) in each state or locality by providing individually tailored or unique types of training and consulting services to these agencies to supplement the more general and administratively oriented training made available through regional TAT programs.

The recent work of the USU-MDS in training all the Employer Relations Representatives for the Utah Job Service and work performed for several local prime sponsors in Utah provide excellent examples of what can be done. The results of this approach, both in cost and benefit terms, can be compared most favorably to those which have been achieved by providing such training on a standardized basis through the ETA regional training centers. In both of the cases cited above ETA training through the TAT program was either not available or was inappropriate to the needs of the agencies requesting assistance.

6.5.2 Relationship to other Human Resource Development Programs

There are several points which can be made in relating the creation and operation of the proposed MAS model to the nation's

other human resource development programs. First, the federal government has created a host of manpower programs for the disadvantaged, without regard for or having made any attempt to relate them to the other components of the nation's human resource system--particularly the industrial training and educational systems. This unfortunate situation has been acknowledged in an obscure paragraph in the epilogue of a just published second edition of a widely used manpower text.

> Manpower programs have been consistently treated as a separate remedial system for a separate clientele. They have never been viewed as a component of a broader human resource development system. Their resources have always been minor in the total scheme of public and private efforts to prepare and maintain human resources. In fact, most such preparation is private, occurring in the homes and the employing establishments. Schools, churches, neighborhoods, and the entire community are involved in the process. Certainly manpower programs are marginal efforts that can make sense only in a broader labor market/human resource context, but there is hope that the emergence of local labor market planning may encourage the integration of manpower and other human resource programs.[16]

The USU-MDS experience over the past three years makes us much less sanguine than the authors over the ability of the local labor market planners to bring about the integration of manpower and other human resource programs--<u>without the addition of a component to the system such as the proposal MAS model or its equivalent</u>. The experience of the USU-MDS has shown than an MAS unit can serve as a means of bringing together in a positive relationship meaningful concern and activity in the presently separate and isolated realms of manpower and other human resource programs. The adoption of the proposed MAS model would allow the heretofore neglected areas of on-the-job training, apprenticeship, supervisory and other forms of industrial training,

to receive needed attention and be placed in proper perspective and relationship with the public manpower programs. As already noted, this configuration would not only serve to improve the prospects for successfully achieving the objectives of the manpower programs, but would give the U.S. a substantial boost in the efforts to integrate and improve our industrial training system generally.

The increasing concern for the problems of youth unemployment and the growing list of proposals to facilitate the transition of young people from school to work all point to the need for the type of assistance and capabilities embodied in the MAS.[17] The same can be said for the newly emerging concern and interest in recurrent education.[18] The assistance of an MAS unit, which would combine substantial skills and expertise in HRD with an extensive base of practical experience and rapport with employers and the workplace, could serve as an important, if not critical, resource to assist in the development and implementation of these programs. The need cannot be met by community work councils and other voluntary bodies acting alone--regardless of their composition or sponsorship. The addition of the kind of assistance which could be provided by an MAS may mean the difference between success and failure of many of these endeavors.

6.5.3 Relationship to National Center for Productivity and the Quality of Working Life

The work of USU-MDS, when considered in light of the legislation recently passed by Congress on November 28, 1975 to create the National Center for Productivity and the Quality

of Working Life, suggests that the proposed model offers an ideal framework within which to develop a nationwide system of state or regional centers for Productivity and the Quality of Working Life as an alternative to or in conjunction with the CETA objectives discussed above. The National Center and its predecessor National Commission have funded a number of projects during the past three years to explore the dimensions of productivity and quality of working life problems. What is unique about them is their singleness of purpose and substantial potential for impact on the internal labor market and the jobs of all workers, including the working poor and the disadvantaged. Most of the projects have been single plant demonstration efforts, designed to elicit information and improve the techniques designed to elicit information and improve the techniques and methodology for successfully introducing and carrying out programs to improve productivity and the quality of working life. However, apart from a few private nonprofit organizations with limited resources and impact, there is at present no logical delivery system available through which the National Center can effectively and continuously disseminate and insure the widespread adoption of those principles and techniques developed.

The experience of the USU-MDS and other related projects suggest a substantial complementarity of the areas of concern, competencies of staff, and objectives, between the National Center for Productivity and the proposed MAS advisory service units. The creation of a network of MAS units would serve as the delivery system which, under the direction and support of the National Center, would enable the United States to accomplish

some of the work in the area of productivity which is so effectively being carried out by many foriegn nations, but which has been seriously lagging in this country.[19] Much of the work of the USU-MDS, and in fact the very philosophy of the unit from its inception, has been directed toward the same objectives as the National Center--those of improving productivity and the quality of working life. Consequently, USU-MDS has been serving, without specific intent or design, as a prototype regional center for Productivity and the Quality of Working Life.

The findings of this project clearly support the proposed MAS model as a viable outreach and delivery system to enable the National Center to more fully achieve the primary objectives set out in the legislation which created it. The delivery system encompassed in the MAS model is probably more likely to facilitate the accomplishment of the goals of widely disseminating new techniques and practices to improve productivity and the quality of working life than one or two "free standing institutes" or "work institutes" as proposed by several of the reports dealing with this subject. Consequently, the MAS units envisioned in the proposed model are seen in a logical close working relationship to the National Center, with the latter providing the leadership and central direction and the MAS units disseminating useful ideas and techniques as they work directly with public and private employers. By such means the National Center will be able to more effectively accomplish its stated objectives. In fact, this approach holds so much promise that should the argument presented above--that the proposed MAS is in fact a manpower program--be rejected, the close complementarity of the objectives

outlined in the proposal and those of the National Center suggest that it be independently considered on its merits by their staff and directors.

6.6 Source of Funding

On the basis of the functions proposed for the MAS units and the relationship with several national manpower programs and policy objectives, it is recommended that the funding of the proposed MAS units be provided through several sources. Certainly the functions outlined for the units are of such a nature to justify some public support for the delivery of these services. The precedent now well established by Congress to fund the work of the Cooperative Extension Service and Agricultural Experiment Stations also provides an appropriate analogue which could be replicated in funding them.

On the basis of the USU-MDS experience and the foregoing discussion of functions and objectives, it would appear that there are at least two logical sources of funding support at the national level for the proposed MAS units: The Employment and Training Administration in the Labor Department, and the National Center for Productivity and the Quality of Working Life. A third major source of financial support would be income generated from fee-for-service work.

The National Programs Office of the Employment and Training Administration could make grants under Title III of CETA to each state to help establish and provide some institutional support for these units. This support could logically be provided for the purpose of fostering the accomplishment of the objectives

outlined in paragraphs 6.2.3, 4, 5, 6, and 7 above. Given the current sums of money being expended under this title (and CETA legislation generally), the money required to fund the proposed program would be modest by comparison.

The question might logically be asked that if the proposed services will contribute to the success of CETA manpower programs at the local and state level, and if prime sponsors have the authority to allocate resources in harmony with approved plans, should not the CETA related services provided by the MAS units be financed by the prime sponsors? The answer is that they probably should, but (as noted in Chapter 4) prime sponsors are just like small employers: they want to see the value of the services clearly demonstrated before they are willing to pay for them. Furthermore, the provision of such services may seem like a luxury in a period when overall CETA funding is shrinking.

The recent experience of MDS in dealing with prime sponsors at the state and local levels in Utah under CETA suggests that at this stage of their development neither of these groups is willing to fund the creation of the basic institutional mechanism proposed. Most of them are following the old categorical MDTA programs and are unable to see how they can more successfully accomplish their objectives by utilizing innovative services--even when the cost is quite modest. Some have argued that the restrictions placed by the ETA on use of funds would prevent them from paying for the proposed MAS services even if they wanted to. While the accuracy of this assertion has not been determined, it does illustrate the tenor of the arguments presented. The language of CETA does indicate that some of the

Governor's 4 percent money could be used appropriately for this purpose--and is in fact being used for closely related activities in several states. In any event, once MAS units are established through national support and the value of their service is demonstrated to state and local CETA prime sponsors, it is felt that they will be willing, and should perhaps be expected, to pay for some of the services provided within their jurisdictions.

For example, it would seem both appropriate and legitimate for local CETA prime sponsors to use some of their funds to pay for: (a) specific technical assistance and services which are needed to effectively design training programs or initiate job redesign activities or upward mobility systems in organizations contracting to take OJT trainees; (b) for special training programs for supervisors in companies hiring the disadvantaged; (c) for assistance in designing or improving training curriculum in skills centers and other institutional training agencies to insure their relevance to employer needs etc.; and (d) for consulting or training services provided to the prime sponsors themselves.

The funding from the national ETA level would provide support for the institutional base and insure stability to the MAS unit. This would be especially critical at the outset while the unit is establishing credibility and to help educate employers and local CETA planning officials of the value and importance of these services. National support would also allow for the provision of certain services free and for subsidized rates of service to promote the public policy objectives embodied in the unit (e.g. dissemination of information, initial outreach, and some diagnostic or other services designed to promote upgrading,

etc.). The level of subsidy would be dependent upon the level of national support available and specific public policy objectives established nationally and locally for the units.

A second source of financial support for the proposed MAS units from the federal level could be provided under the terms of the recent legislation which created a National Center for Productivity and Quality of Working Life. Support through the National Center could be appropriately provided for the purpose of fostering the accomplishment of the objectives outlined in paragraphs 6.2.1, 2, 6, 7, and 8 above. Because of the modest amount of funds currently available to the National Center ($5,000,000), support from this source would necessarily be somewhat limited unless Congress sees fit to expand their budget in light of the expanded program of operations being proposed herein. Ten to twenty annual grants of from $50,000 to $100,000 each would go some distance toward building the institutional base for a network of regional centers, especially if used in conjunction with the funds received from the other sources suggested.

The National Institute of Education (NIE) and Office of Education in the Department of Health, Education, and Welfare might be interested in providing support to encourage the accomplishment of the objectives outlined in paragraph 6.2.9. Other possible sources of financial support at the federal level might include the Economic Development Administration in the Department of Commerce which has provided some funding for specific projects concerned with manpower productivity and the quality of working life.

There is also the possibility that some funding for the proposed MAS units might be obtained at the state level as part of state or university appropriations. USU-MDS is currently receiving some financial support throught the extension service budget of Utah State University in recognition of the value of the work being carried out to the people of Utah.

Finally, it is anticipated that the proposed MAS units would carry out a substantial amount of independent fee-for-service work which could be expected to bring in some revenue. The recent USU-MDS experience suggests that this is both possible and desirable. However, the same experience has clearly demonstrated that if all revenue must come from this source, the unit will not be able to carry out the active outreach program needed to locate, educate and perform diagnostic work with many of the small and medium-sized organizations needing help, and the ability to achieve the desired public policy objectives outlined above will be correspondingly diminished and constrained. For these reasons it is felt that a proper balance between the fee-for-service work and subsidized public service activity is essential for the successful operation of the proposed model.

6.7 Future Directions

Because none of the previously tested models for delivering manpower advisory services in the workplace has included all of the functions outlined in this proposal, it is difficult to predict exactly how successful it would prove to be if adopted and extended throughout the United States. The USU-MDS experience, together with that gained through the New Jersey ITS, Columbus

SIS, and MSU/OH make the authors very optimistic about the outcome. Nevertheless, it should be recognized that there are a variety of environmental conditions existing in the U.S., both in terms of geography, industry, population, culture, which might affect the outcome of implementing the proposed model in some areas. The key elements to the success of the USU-MDS--the recruitment and retention of a competent staff and the creation and maintenance of a favorable environment in which they could develop and operate--may be difficult to replicate on a wide scale. There may also be some latent interest in further developing alternative models for delivery systems--such as the one proposed by the E. F. Shelley researchers on the basis of the Columbus SIS and Newark ITS experience.

None of the prototype MAS models (except USU-MDS) have anticipated nor recommended the range of functions or type of financial arrangements for such a system as those proposed in this report. And certainly the USU-MDS project, while it has functioned to a degree in most of the proposed areas, did not, because of the original project objectives and subsequent financial constraints, fully explore all the dimensions or functions proposed. Therefore, it is recommended that several additional MAS units be created along the lines outlined herein in states and locations with a variety of geographical and industrial settings. In addition, if there is substantial interest in the proposition that state Job Service agencies should carry out more extensive technical service programs, it might be appropriate to fund several Job Service based models with the Columbus SIS as the framework or, more appropriately, using the functions outlined

for the university-based model, or some modification thereof, as the basis. For the reasons stated elsewhere, the authors of this report have some serious reservations about the Job Service being the best location for an MAS unit, but perhaps it should be explored further. If so, the additional pilot projects could be used as a further test and comparison of the two models.

The next stage in the testing of the proposed university-based model could also help establish the viability of the funding approaches outlined above. For example, what forms of national support could in fact be developed? Are there any sources other than CETA Title III or the resources available to the National Center for Productivity and the Quality of Working Life? Are there any other possibilities at the national level through the NIE, the Department of Commerce, or elsewhere? How much revenue could local sources of support and fee-for-service work be expected to provide? The funds generated from these sources will probably vary dpending on the location and circumstances of each unit. How many MAS units should be created? One in each state? or Federal Region? or on the basis of population or industrial concentration? (The USU-MDS experience suggests that a small five or ten man unit could effective service a state the size of Utah.) Finally, specific guidelines would need to be drawn up to help determine the development and funding of the system on a national basis. It is toward this end that the efforts should now be directed.

It is the conclusion of this report that the past three and one-half years of experience by the USU-MDS provide a very compelling case in support of the need for publicly sponsored

manpower adivsory services as an essential component of our nation's human resource policy when considered in light of: (a) experiences of related manpower advisory service experiments; (b) the recommendations of numerous expert bodies; (c) the recent manpower program experience under CETA; (d) the domestic and foriegn developments in industrial training, and (e) the most recent interest in productivity and the quality of working life.

In the judgment of the authors, the model proposed in this chapter provides an attractive, realistic, and economical way to meet this need.

Chapter 6

FOOTNOTES

[1]Government Committment to Occupational Training in Industry: Report of the Task Force on Occupational Training in Industry (Washington, D.C.: August 1968).

[2]Ibid, p. 98.

[3]Charles C. Holt, et al. Manpower Programs to Reduce Inflation and Unemployment: Manpower Lyrics for Macro Music (Washington, D.C.: The Urban Institute, December 1971), pp. VI-7, 8; Charles C. Holt, et al., The Unemployment-Inflation Dilemma: A Manpower Solution (Washington, D.C.: The Urban Institute, 1971), pp. 69, 79.

[4]"Manpower Commission Gives Forum To Groups Representing Poor, Minorities," Manpower Information Service, January 21, 1976, p. 217.

[5]Dunlap Says It's Too Soon to Amend "CETA," But Explores Problem Issues," Manpower Information Service, January 7, 1976, p. 197.

[6]Work In America: Report of a Special Task Force to the Secretary of Health, Education, and Welfare (Cambridge Mass.: The MIT Press, 1972); Raymond A. Katzell and Daniel Yankelovich, et al., Work Productivity, and Job Satisfaction (New York: The Psychological Corporation, 1975).

[7]Worker Alienation, 1972: Hearings Before the Subcommittee on Employment, Manpower and Poverty of the Committee on Labor and Public Welfare (Washington, D.C.: 1972)

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